United States Court of Appeals

for the Second Circuit

EXHIBITS

76-7068

B

P/S

United States Court of Appeals

FOR THE SECOND CIRCUIT

INTERNATIONAL HALLIWELL MINES, LIMITED and LA SOCIETE D'EXPLOITATION ET DE DEVELOPPEMENT ECONOMIQUE ET NATURAL D'HAITI,

Plaintiffs-Appellants,

—against—

CONTINENTAL COPPER & STEEL INDUSTRIES, INC., MORTIMOR S. GORDON, MIDLANTIC NATIONAL BANK, as Executor of the Estate of WALTER H. KNORR, SAMUEL M. GOLDMAN and DELLA JACOBS, as Executors of Estate of SAMUEL UNGERLEIDER, MARION V. WHEELER, as Executrix of the Estate of ARTHUR WHEELER and ELEONORA HARRIS, ROBERT HARRIS and JOSEPH STEINHARDT, as Executors of the Estate of HARRY HARRIS,

Defendants-Appellees.

EXHIBIT VOLUME

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UNITED STATES COURT OF APPEALS
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INDEX TO JOINT APPENDIX

	Page
Docket Entries	1a - 5a
Amended Complaint	6a - 19a
Answer to Amended Complaint	20a - 34a
Trial Transcript	1 - 171
Excerpts fror deposition of the defendant Continental Copper & Steel Industries, Inc. by Mortimor S. Gordon, its president and Mortimor S. Gordon, as an individual defendant	3 - 332
Excerpts from deposition of the defendant Continental Copper & Steel Industries, Inc. by and through Thomas J. Kennedy, a vice-president	3-315
Excerpts from the deposition of the defendant Continental Copper & Steel Industries, Inc. by and through Walter H. Knorr, Treasurer and vice president, and Walter H. Knorr, as an individual defendant	3 - 324
Excerpts from the deposition of the defendant Continental Copper & Steel Industries, Inc. by and through Carlos Castro, its senior auditor	3 - 215
Excerpts from the deposition of the defendant Continental Copper & Steel Industries, Inc. by and through Herman Keller, its vice president and secretary.	3 - 192

INDEX TO JOINT APPENDIX (cont.)

	Page
Excerpts from the deposition of the plaintiff International Halliwell Mines , Limited by and through Adolph H. Graetz, its vice president	3 - 700
Excerpts from the deposition of the plaintiff International Halliwell Mines Limited by and through Murray Cooper, its president	4 - 197
Opinion of the Trial Court	35a - 56a
Judgment	57a
Notice of Appeal	58a - 59a

INDEX TO EXHIBIT VOLUME

	Page
Plaintiffs' Ex. 1, being the minutes of a meeting of the Board of Directors of Consolidated Halliwell Limited held on April 12, 1967 at 100 East 42nd Street, New York, New York for Id.	60A-73A
Plaintiffs' Ex. 2, being the minutes of an adjourned meeting of the Board of Directors of Consolidated Halliwell Limited held on December 14, 1966 at 100 East 42nd Street, New York, New York	74A-77A
Plaintiffs' Ex. 3, being the annual report of Consolidated Halliwell Limited for the year ended December 31, 1966	78A-85A
Plaintiffs' Ex. 4, being the annual report of Consolidated Halliwell Limited for the year ended December 31, 1965	86A-85A
Plaintiffs' Ex. 5, being the annual report of Consolidated Halliwell Limited for the year ended December 31, 1964	96A-106A
Plaintiffs' Ex. 6, being the annual report of Consolidated Halliwell Limited for the year ended December 31, 1963	107A-115A
Plaintiffs' Ex. 7, being the annual report of Consolidated Halliwell Limited for the year ended December 31, 1962	116A-123A
Plaintiffs' Ex. 8, being the annual report of Consolidated Halliwell Limited for the year ended December 31, 1961	124A-131A
Plaintiffs' Ex. 9, being the annual report of Consolidated Halliwell Limited for the year ended December 31, 1967	132A-137A

INDEX TO EXHIBIT VOLUME (cont.)

	Page
Plaintiffs' Ex. 10, being the annual report of Consolidated Halliwell Limited for the year ended December 31, 1968	138A-148A
Plaintiffs' Ex. 11 for Id. - Minutes of a meeting of Board of Directors of Consolidated Halliwell Limited held on October 8, 1964 at 100 East 42nd Street, New York, New York	149A-151A
Plaintiffs' Ex. 12 for Id.- Minutes of a meeting of the Board of Directors of Consolidated Halliwell Limited held at 100 East 42nd Street, New York, New York on May 26, 1964	152A-155A
Plaintiffs' Ex. 13 for Id. - Minutes of a meeting of the Board of Directors of Consolidated Halliwell Limited held at the offices of Messrs. Gordon, Brady, Caffrey and Keller on August 19, 1961	156A-158A
Plaintiffs' Ex. 14 for Id. - Excerpts from the minutes of the Continental Board of Directors' meeting on January 22, 1959	159A-161A
Plaintiffs' Ex. 16 for Id. - Minutes of a meeting of the Board of Directors of Consolidated Halliwell Limited held at the office of Messrs. Gordon, Brady, Caffrey & Keller on May 2, 1961	162A-166A
Plaintiffs' Ex. 17 for Id. - Minutes of the annual general meeting of the shareholders of Consolidated Halliwell Limited held on June 20, 1961	167A-169A
Plaintiffs' Ex. 18 for Id. - Resolution of Directors regarding banking and security of Consolidated Halliwell Limited dated August 18, 1961	170A-171A

INDEX TO EXHIBIT VOLUME (cont.)

	Page
Plaintiffs' Ex. 19 for Id., - Minutes of a meeting of Board of Directors of Sedren held on August 4, 1961	172A
Plaintiffs' Ex. 20 for Id. - Excerpts from the annual meeting of stockholders of Continental Copper & Steel Industries, Inc. held on October 26, 1961	173A-174A
Plaintiffs' Ex. 21 for Id. - Report by George W. Tower to Mortimor S. Gordon dated April 30, 1964	175A-178A
Plaintiffs' Ex. 22 for Id. - Excerpts from the Annual Report of Continental Copper & Steel Industries Inc. for the year 1965	179A-180A
Plaintiffs' Ex. 23 - Being the Agreement encaptioned "Concentrates Agreement" made as of July 9, 1964 between Continental Copper & Steel Industries, Inc. and Nippon Mining Company, Ltd.	181A-190A
Plaintiffs' Ex. 24 - The agreement encaptioned "Conversion Agreement" made as of July 9, 1964 by and between Continental Copper & Steel Industries Inc. and Nippon Mining Co., Ltd.	191A-201A
Plaintiffs' Ex. 25 - Encaptioned "CCS Profits Effected on Purchase of Concentrates from Sedren, S.A." by Carlos Castro bearing date 5-12-70	202A-203A
Plaintiffs' Ex. 26 for Id. - Being a computation of the losses of Halliwell for the years 1962 to 1967, inclusive, based upon the annual reports of Halliwell	204A

INDEX TO EXHIBT VOLUME (cont.)

	Page
Plaintiffs' Ex. 27 for Id. - being the handwritten notes by Robert B. Bell of the Board of Directors' meeting of Halliwell held on April 12, 1964	205A-213A
Plaintiffs' Ex. 27 - the Annual Report of Halliwell for the year ended December 31, 1969	214A-222A
Plaintiffs' Ex. 28 - Annual Report of Halliwell for the year ended December 31, 1970	223A-229A
Plaintiffs' Ex. 29 - Being a letter dated December 28, 1966 addressed to Consolidated Halliwell Limited and Societe D'Exploitation et de Development Economique et Natural D'Haiti by Continental Copper & Steel Industries Inc. signed by Herman Keller	230A-232A
Plaintiffs' Ex. 30 - Encaptioned "Stipulated Facts Submitted by the Plaintiffs"	233A-236A
Plaintiffs' Ex. 31 - Encaptioned "Outline of Proposed Transactions Re: Continental Copper & Steel Industries, Inc. and Halliwell"	237A-239A
Plaintiffs' Ex. 32 - Being a letter dated January 9, 1967 addressed to Mr. Murray Cooper, President of Consolidated Halliwell Limited, and signed by Fraser Fell	240A-242A
Defendants' Ex. A - Being an agreement dated as of the 15th day of March, 1968 between Consolidated Halliwell Limited, and Continental Copper & Steel Industries, Inc. and Maurice Goodman and Associates	243A-249A
Defendants' Ex. B - Being an Amending Agreement dated May 8, 1968 by and between Consolidated Halliwell Limited, Continental Copper & Steel Industries, Inc and Maurice Goodman and Associates	250A-251A

INDEX TO EXHIBIT VOLUME (cont.)

	Page
Defendants' Ex. C - Encaptioned "Stipulated Facts Offered by Defendants on the Issue of Settlement "	252A-261A
Defendants' Ex. D- Being an agreement made and entered into the 1st day of April, 1959 by and between Consolidated Halliwell Limited, Sedren and Continental Copper & Steel Industries, Inc.	262A-268A
Defendants' Ex. E - Being an Agreement entered into as of July 1, 1964, between Consolidated Halliwell Limited, Sedren and Continental Copper & Steel Industries, Inc.	269A-273A
Defendants' Ex. F - Being an agreement made as of July 1, 1964 by and between Continental Copper & Steel Industries, Inc., Sedren and Consolidated Halliwell Limited	274A-283A
Defendants' Ex. G - Being an agreement made and entered into as of the 1st day of January, 1967 between Consolidated Halliwell Limited, Sedren and Continental Copper & Steel Industries	284A-286A
Defendants' Ex. H - Being an agreement made and entered into as of the 1st day of January, 1967 between Consolidated Halliwell Limited, Sedren and Continental Copper & Steel Industries Inc.	287A-291A
Defendants' Ex. I - Being a General Release from Consolidated Halliwell Limited to Continental Copper & Steel Industries dated April 28, 1967	292A
Defendants' Ex. J - Being a General Release from Sedren to Continental Copper & Steel Industries dated April 28, 1967	293A
Defendants' Ex. K - Minutes of a meeting of the Board of Directors of Sedren held in New York at 100 East 42nd Street on April 1, 1968	294A-295A

INDEX TO EXHIBIT VOLUME (cont.)

	Page
Defendants' Ex. L - Minutes of a meeting of the Board of Directors of Consolidated Halliwell Limited held on April 8, 1968 at 100 East 42nd Street, Suite 1714, in the City of New York	296A-302A
Defendants' Ex. M - Notice of the annual and special general meeting of shareholders of Consolidated Halliwell Limited to be held on May 13, 1968, together with an information circular and various schedules	303A-317A
Defendants' Ex. N - Minutes of an annual and special general meeting of the shareholders of Consolidated Halliwell Limited held on May 13, 1968, together with schedules and exhibits, including as Ex. C the annual report of Consolidated Halliwell Limited for the year ended December 31, 1967	318A-368A
Defendants' Ex. O - Being a letter addressed to Continental Copper & Steel Industries by Consolidated Halliwell Limited dated May 16, 1968	369A
Defendants' Ex. P - By-Laws of Consolidated Halliwell Limited	370A-378A
Defendants' Ex. Q - Minutes of the annual and special meeting of shareholders of Consolidated Halliwell Limited held on July 24, 1967	379A-388A
Defendants' Ex. R - Encaptioned "Statement of Material Facts of Consolidated Halliwell Limited"	389A-410A
Defendants' Ex. S - Being a Demand For Arbitration under the heading of American Arbitration Association addressed to Continental Copper & Steel Industries dated January 30, 1969	411A-415A

INDEX TO EXHIBIT VOLUME (cont.)

	Page
Defendants' Ex. T - Encaptioned "Notice of Petition to Stay Arbitration", together with supporting Petition	416A-491A
Defendants' Ex. U - Being an Order dated November 7, 1969 entered by Judge Isidore Dollinger at a Special Term, Part I, Supreme Court, New York County	492A-494A
Defendants' Ex. V - Minutes of an adjourned meeting of a Board of Directors of Consolidated Halliwell Limited held at 100 East 42nd St., New York, New York on December 14, 1966	495A-503A
Defendants' Ex. W - Letter dated December 16, 1966 addressed to Murray Cooper by the firm of Fasken, Calvin, MacKenzie, Williston & Swackhamer	504A-508A
Defendants Ex. Y - Letter dated January 24, 1967 addressed to F. M. Fell by Herman Keller	509A-510A
Defendants' Ex. Z - Letter dated February 16, 1967 addressed to Murray Cooper by Fraser M. Fell	511A-513A
Defendants' Ex. AA - Letter dated February 22 1967 addressed to Herman Keller by Fraser M. Fell	514A-515A
Defendants' Ex. AB - Document encaptioned "Memorandum to Murray Cooper" dated April 13, 1967	516A
Defendants' Ex. AC - Letter dated April 19, 1967 addressed to Fraser M. Fell by D.G.C.Menzel	517A-521A

INDEX TO EXHIBIT VOLUME (cont.)

	Page
Defendants' Ex. AD - Letter dated June 14, 1967 addressed by Fraser M. Fell to D.G,C. Monzel	522A-524A
Defendants Ex. AE - Letter dated June 23, 1967 addressed to Murray Cooper by Fraser M. Fell, with enclosures	525A-532A
Defendants' Ex. AF - Minutes of a meeting of the Board of Directors of Consolidated Halliwell Limited held on July 18, 1967	533A-535A
Defendants' Ex. AG - Encaptioned "Schedule 'A' to Minutes of Annual and Special General Meeting of Shareholders Held July 25, 1967" of Consolidated Halliwell Limited	536A-553A
Defendants' Ex. AH - Letter dated September 1, 1967 addressed to Herman Keller by J.M. Wainberg	554A
Defendants Ex. AI - Letter dated September 7, 1967 addressed to Mortimor S. Gordon by J. M. Wainberg	555A-559A
Defendants' Ex. AJ - Letter dated December 1, 1967 addressed to Mortimor S. Gordon by J.M. Wainberg, with enclosures	560A-565A
Defendants' Ex. AN - Memorandum addressed to Walter Knorr by Adolph H. Graetz dated 2/23/68	566A-568A
Defendants' Ex. AO - Minutes of a meeting of the Board of Directors of Consolidated Halliwell Limited held on May 13, 1968	569A-574A

Approved at Director Meeting
Held July 18, 1967

PLAINTIFFS/ EX. 1 IN EVD.

CONSOLIDATED HALLIWELL LIMITED

60A

MINUTES of a meeting of the board of directors of CONSOLIDATED HALLIWELL LIMITED (N.P.L.) held at 100 East 42nd Street, New York, New York, on Wednesday, April 12, 1967, at the hour of 10:30 o'clock in the forenoon (New York time).

PRESENT:

Murray Cooper
A. H. Graetz
R. D. Bell
G. Baussan, Fils
D. W. Knight
F. M. Fell
W. H. Knorr
A. Wheeler
Samuel Ungerleider
Mortimor S. Gordon

FORMALITIES:

The president of the Company, Mr. Cooper, acted as chairman of the meeting and the secretary of the Company, Mr. Bell, acted as secretary of the meeting.

This meeting having been called by notice mailed by the president on (Schedule "A" to these minutes) and a quorum of the directors being present, the chairman declared the meeting regularly constituted for the transaction of business.

MODIFICATIONS TO 1959 SALES AGREEMENT:

The chairman advised the meeting that the only business to be considered at this meeting was the memorandum entitled "Modifications to CCS, Halliwell-Sedren Contractual Obligations" dated April 5, 1967 (Schedule "B" to these minutes). The chairman reviewed the memorandum. He stated that the result of the averaging of the prices would be that Sedren would receive approximately 41.8¢ per pound of copper making it, at best, a possible marginal producer.

The chairman stated that he was instituting further reductions in overal operating expenses.

A lengthy discussion ensued.

During the discussion, the chairman stated that proven ore reserves as of December 31, 1966 after 10 per

cent dilution were reported to him by the mine as:

Proven 263,500 tons - 1.64% copper

Inferred 331,600 tons - 1.58% copper

Included in 263,500 tons are 203,000 tons grading 1.9% copper. Approximately 73,550 tons have been proven in the 17.43 stope grading 2.2% since year end.

There followed a lengthy discussion regarding reserves and profit potential to Sedren under theproposed modification.

UPON MOTION regularly made by Mr. Fell, seconded by Mr. Knight and unanimously carried,

IT WAS RESOLVED that the meeting be adjourned until 2:00 o'clock in the afternoon.

MINUTES of a meeting of the board of directors of CONSOLIDATED HALLIWELL LIMITED (N.P.L.) reconvened at 100 East 42nd Street, New York, New York, on Wednesday, April 12, 1967, at the hour of 2:15 o'clock in the afternoon (New York time).

PRESENT:

Murray Cooper
A. H. Graetz
R. D. Bell
G. Baussan, Fils
D. W. Knight
F. M. Fell
W. H. Knorr
A. Wheeler
Samuel Ungerleider
Mortimor S. Gordon
H. Harris

and by invitation of the board of directors of the Company

Herman Keller,

counsel for Continental Copper & Steel Industries, Inc.

FORMALITIES:

Mr. Cooper resumed the chair and Mr. Bell continued to act as secretary of the meeting.

MODIFICATIONS TO 1959 SALES AGREEMENT:

Discussion resumed on the memorandum dated April 5, 1967 entitled "Modifications to CCS, Halliwell-Sedren Contractual Obligations" which had been prepared by Messrs. Fell and Keller.

Mr. Gordon stated that in view of the apparent reluctance of the directors representing Consolidated Mogul Ltd. to approve the memorandum, that CCS would be willing to delete paragraphs 4 and 9 which related to certain requirements regarding Consolidated Mogul.

During the discussion, Mr. Keller was requested to draw a resolution calling for approval and authorization for Consolidated Halliwell Limited and Sedren to execute the contract amendments and general releases provided for in the memorandum. Thereupon the following resolutions were presented:

"RESOLVED, that the Company be and hereby is authorized to execute agreements modifying the terms and conditions of the Copper Purchase Agreement, dated April 1, 1959 as amended July 1, 1964 and the Concentrates Agreement dated July 1, 1964 among Continental Copper & Steel Industries, Inc., Sedren and the Company in accordance with the memorandum dated April 5, 1967 entitled "Modifications to CCS, Halliwell-Sedren Contractual Obligations" exclusive of paragraphs 4 and 9 thereof, and it is further

RESOLVED that the president, Murray Cooper be and he hereby is authorized to execute and deliver the aforesaid modification and the general releases provided for in paragraph 8 of said memorandum, and it is further

RESOLVED, that Sedren be and hereby is authorized and directed to take action on its behalf similar to the action authorized in the foregoing resolutions."

Adoption was moved and seconded, following which there was discussion upon the proposal.

Messrs. Knight and Bell stated they would not vote in favour of the memorandum without being authorized to do so by the board of directors of Consolidated Mogul and indicated that as members of the board of directors of Consolidated Mogul they would not grant such authority.

Mr. Fell also indicated he would not vote in favour of the adoption of the resolutions.

The chairman called for a vote.

Thereupon, Mr. Fell tendered his resignation as a director of the Company, Mr. Knight tendered his resignation as a director of the Company and Mr. Bell tendered his resignation as an officer and director of the Company. Each in turn submitted his resignation (Schedules "C", "D" and "E" to these minutes) and retired from the meeting.

UPON MOTION regularly made, seconded and unanimously carried,

IT WAS RESOLVED that the resignations as directors of the Company by Messrs. Fell and Knight, and the resignation as an officer and director of the Company by Mr. Bell, be and the same are hereby accepted.

UPON MOTION regularly made, seconded and unanimously carried,

IT WAS RESOLVED that Mr. Keller, be and he is hereby appointed secretary of the balance of the meeting.

A vote was then taken on three resolutions arising out of the memorandum.

Mr. Baussan refrained from voting. Messrs. Cooper, Gordon, Graetz, Knorr, Wheeler, S. Ungerleider and Harris voted in favour of the adoption of the resolutions. In voting for the resolutions, Mr. Graetz stated that while this was not the best contract for the Company, it was a stopgap until a new one could be negotiated.

The chairman declared the three resolutions passed.

CHANGE OF HEAD OFFICE:

UPON MOTION regularly made, seconded and unanimously carried,

IT WAS RESOLVED that the head office of the Company previously situated at 507 Place d'Avenues, Montreal 2, Quebec, be moved to Suite 930, The Royal Bank of Canada Building, 1 Place deVille Marie, Montreal 2.

CHANGE OF EXECUTIVE OFFICE:

UPON MOTION regularly made, seconded and unanimously carried,

IT WAS RESOLVED that Mr. Cooper be and he is hereby authorized to move the executive office and corporate records from 25 Adelaide Street West, Toronto 1, Ontario to 62 Richmond Street West, Toronto 1.

ELECTION OF OFFICERS:

UPON MOTION regularly made, seconded and unanimously carried,

IT WAS RESOLVED that the following persons be and they are hereby ~~elected or~~ appointed officers of the Company to hold office as referred to opposite their respective names until their successors are elected or appointed:

Mr. Jacob M. Wainberg - Secretary

Mr. Adolph H. Graetz - Treasurer

BANKING - THE ROYAL BANK OF CANADA:

UPON MOTION regularly made, seconded and unanimously carried,

IT WAS RESOLVED that with respect to the banking arrangements made between the Company and the Royal Bank of Canada, 20 King Street West, Toronto 1, Ontario, that signing authority be given to any two of Walter H. Knorr or Herman Keller or to either of the foregoing countersigned by Norman B. Mullen or Carlos Castro, in the bank form 203 (3-56) annexed hereto and marked Schedule "F" to these minutes.

BANKING - MARINE MIDLAND GRACE TRUST CO. OF NEW YORK:

64A

TERMINATION OF MEETING:

There being no further business, the meeting then terminated.

Murray Copper,
Chairman of Meeting.

Herman Keller,
Secretary of latter part
of Meeting.

We, the undersigned, directors of the Company, do hereby verify as correct the foregoing minutes of the meeting of the board of directors held April 12, 1967 as amended, and ratify all the resolutions passed and business transacted thereat.

65A

RECEIVED APR 13 1967

To: The Board of Directors,

CONSOLIDATED HALLIWELL LIMITED.

I hereby resign as Assistant Secretary-Treasurer of CONSOLIDATED HALLIWELL LIMITED (No Personal Liability), effective immediately.

G. D. Pattison

Toronto, Ontario,
April 12, 1967.

SCHEDULE "A"

66A

CONSOLIDATED HALLIWELL LIMITED

CONSOLIDATED HALLIWELL LIMITED
(NO PERSONAL LIABILITY)

EXECUTIVE OFFICE
SUITE 509. 25 ADELAIDE STREET WEST
TORONTO 1. CANADA

CABLE ADDRESS: "CONSOLHAL"

TAKE NOTICE that a Meeting of the Board of Directors of CONSOLIDATED HALLIWELL LIMITED (No Personal Liability) will be held at the offices of National Outlook Corporation, 100 East 42nd Street, New York, N.Y., on Wednesday, April 12, 1967, at the hour of 10:30 o'clock in the forenoon.

DATED at Toronto this 6th day of April, 1967.

G. D. Pattison,
Asst. Secretary-Treasurer.

Mr. A. H. Graetz,
National Outlook Corporation,
100 East 42nd Street,
New York, New York, 10017,
U. S. A.

SCHEDULE "B" - PAGE 1

CONSOLIDATED HALLIWELL LIMITED

67A

To Minutes of Meeting of the Board of Directors

Held April 12, 1967

April 5,1967

MODIFICATIONS TO CCS, HALLIWELL - SEDREN
CONTRACTUAL OBLIGATIONS

1. Concentrates contract dated July 1,1964 between the parties is reactivated commencing January 1,1967 until Sedren has fulfilled its obligations to deliver 80,000,000 pounds of copper upon the same terms and conditions contained in the said agreement except that

(a) the price to be paid by CCS to Sedren will be the average of E&MJ domestic price, E&MJ export price, U. S. producers price and LME price for the quotational period ~~referred to below~~;

(b) Sedren-Halliwell will pay smelting, refining and shipping charges in the same amount paid by CCS to ultimate buyers and gold and silver will be paid for in the same terms which will be obtained from ultimate buyers; and

(c) the quotational period which serves as the basis for the price determination will, if necessary, be redefined to coincide with the contract or contracts of the sale of the concentrates as sold by CCS.

2. After 80,000,000 pounds of copper shall have been delivered to CCS under existing contracts as modified, CCS will be appointed the sales agent for the Sedren properties or any other mining properties to be controlled or operated by Sedren or Halliwell covering all produce of such mines. The terms of the sales agency will be for five years with an option to CCS to renew

CONSOLIDATED HALLIWELL LIMITED

To Minutes of Meeting of the Board of Directors

Held April 12, 1967

for a further five year period. Under the sales agreement CCS will receive 2% of net smelter returns, basis CIF final determination.

3. Sedren will set aside each year before any distribution is made by Halliwell by way of repayment of principal on the Halliwell Debentures, at least $200,000 which sum will be held in escrow and used exclusively in the exploration and development of additional ore on the Sedren Concession and the Cnesa Concession. To the extent that any part of the said sum allocated to exploration and development remains unexpended or uncommitted in any one year, such amount shall, at the option of CCS, be paid over to CCS.

4. Mogul will agree to extend the maturity of its Debentures year by year after the present maturity date on condition that Sedren - Halliwell are actively engaged in mining, exploration or development work on the Sedren or Cnesa Concession. It is contemplated that subject to the provisions of the existing Trust Deed, the only event which would accelerate payment of the Debentures would be the abandonment or termination by Halliwell - Sedre of mining and exploration in Haiti. Temporary cessation of operations will not be construed to be termination of operations. The extension of the Debentures would be automatic and there would be no change in the existing priorities as to repayment of the existing Sedren-Halliwell indebtedness.

5. CCS may assign the contract to a wholly owned subsidiary.

CONSOLIDATED HALLIWELL LIMITED

To Minutes of Meeting of the Board of Directors

Held April 12, 1967

6. The copper purchase agreement between the parties dated April 1, 1959 and amended on ~~January 1, 1967~~ July 1, 1964 is to be amended to conform with the foregoing.

7. The paragraph in the concentrates agreement dated July 1, 1964 as amended under the heading "Delivery of Wire Bar" reading "It is acknowledged that by reason of this agreement" etc, is deleted.

8. The parties will exchange general releases excepting only the obligations under the concentrates agreement and copper purchase agreement as modified in accordance with the foregoing and excepting inter-company indebtedness.

The foregoing is subject to the execution on or before April 14, 1967 of appropriate written modifications to the concentrates agreement and the purchase agreement referred to above and delivery of the general releases.

The foregoing is subject to ratification by the respective Boards of Directors of CCS and Halliwell.

9. In the event Mogul shall not agree in accordance with paragraph 4 hereof, the agreement dated April 1, 1959 shall continue in full force and effect commencing as of January 1, 1967.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

By _____

LA SOCIETE d'EXPLOITATION et de
DEVELOPMENT ECONOMIQUE et NATURAL D'
HAITI (Sedren) S.A.

By _____

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

By _____

SCHEDULE "C"

CONSOLIDATED HALLIWELL LIMITED

To Minutes of Meeting of the Board of Directors

Held April 12, 1967

Mr. M. Cooper
President Consolidated Halliwell Limited

I hereby tender my resignation as a director of Consolidated Halliwell Limited, such resignation to take effect immediately

April 12, 1967

Jean M. Peck

SCHEDULE "D"

CONSOLIDATED HALLIWELL LIMITED

To Minutes of Meeting of the Board of Directors

Held April 12, 1967

To: The Board of Directors,

CONSOLIDATED HALLIWELL LIMITED.

I hereby resign as a Director of CONSOLIDATED HALLIWELL LIMITED (No Personal Liability) effective immediately.

D. W. Knight

April 12, 1967.

SCHEDULE "E"

CONSOLIDATED HALLIWELL LIMITED

To Minutes of Meeting of the Board of Directors

Held April 12, 1967

To: The Board of Directors,
CONSOLIDATED HALLIWELL LIMITED.

I hereby resign as Secretary-Treasurer and a Director of CONSOLIDATED HALLIWELL LIMITED (No Personal Liability) effective immediately.

R. D. Bell

R. D. Bell

April 12, 1967.

SCHEDULE "F"

73A

CONSOLIDATED HALLIWELL LIMITED

To Minutes of Meeting of the Board of Directors

Held April 12, 1967

FORM 203 (3-56)

(To be used in cases of companies incorporated under the Companies Act of Canada, Alberta, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, Quebec or Saskatchewan: in cases of companies incorporated by Special Act of Canada or any such Province, if FORM 200 has required amendment this form also may need to be amended. A special form is provided for companies incorporated under the Companies Act of British Columbia.)

COMPANIES

RESOLUTION OF DIRECTORS REGARDING BANKING AND SECURITY

CONSOLIDATED HALLIWELL, LIMITED

(Name of Company)

Head Office: **Royal Bank of Canada Building; Place Ville Marie; Montreal 2, Canada.**

INCORPORATED UNDER THE COMPANIES ACT OF **QUEBEC**

RESOLVED:

1. THAT THE ROYAL BANK OF CANADA (hereinafter called the "Bank") be and is hereby appointed the Banker of the Company.

2. THAT Any two of the following: Walter H. Knorr or Herman Keller or either of the foregoing with Norman B. Mullen or Carlos Castro.

(Where possible, use titles only.)

~~or any one of them~~ or any one of the persons mentioned in Clause 3 hereof or any one of any ~~persons from time~~ to time designated in writing by the ~~President, Vice-President, Secretary,~~ Treasurer or Secretary-Treasurer, ~~be and is hereby~~ authorized on behalf of the Company from time to time

(a) to deposit with or negotiate or transfer to the Bank (but only for credit of the Company) all or any cheques, promissory notes, bills of exchange, orders for the payment of money and other paper negotiable or otherwise, interest or dividend coupons and warrants, securities maturing or called for redemption, and the proceeds of any of them, and for such purpose to make, draw, endorse, sign, execute and deliver all or any of the foregoing or deliver all or any thereof to the Bank endorsed with the name of the Company impressed thereon by rubber stamp or otherwise; and

(b) to receive all paid cheques and vouchers and sign and deliver to the Bank the Bank's form of settlement of balances and release, and to arrange, settle, balance and certify all books and accounts between the Company and the Bank, and to receive all securities attached to drafts drawn on the Company to be delivered upon payment of the drafts and all commercial and other paper, and to sign and deliver to the Bank receipts for all or any of the foregoing.

3. THAT Any two of the following: Walter H. Knorr or Herman Keller or either of the foregoing with Norman B. Mullen or Carlos Castro,

(Where possible, use titles only. If two or more must act together, use words showing joint action required, e.g. "the President and the Treasurer jointly" or "the President, the Treasurer and the Secretary or any two of them". If one of two or more may act alone, say "or any one of them".)

be and ~~are~~/is hereby authorized on behalf of the Company from time to time

(a) to make, draw, accept, endorse, sign and execute, under the corporate seal or otherwise, cheques, promissory notes, bills of exchange, orders for the payment of money and other instruments whether negotiable or not, contracts for letters of credit and forward exchange, and agreements obligating the Company to the Bank in respect of obligations or liabilities incurred or to be incurred by the Bank for the account or benefit of the Company;

(b) to borrow money from the Bank upon the credit of the Company in such amounts and on such terms as may be deemed expedient by obtaining loans or advances or by way of overdraft or otherwise;

(c) to mortgage, hypothecate, charge or pledge, or give security under The Bank Act or otherwise upon, all or any of the property, real and personal, immoveable and moveable, undertaking and rights of the Company, present and future, to secure all or any money borrowed or to be borrowed from the Bank, or obligations or liabilities of the Company, present or future, to the Bank, the nature and form of any such security and the rights, powers and authorities exercisable by the Bank or any person or persons thereunder or in respect thereof to be satisfactory to the Bank;

Approved at Directors Meeting
Held July 18, 1967

PLAINTIFFS' EXHIBIT 2 FOR IDENT. 74A

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Adjourned Meeting of Directors

MINUTES of an Adjourned Meeting of the board of directors of CONSOLIDATED HALLIWELL LIMITED (No Personal Liability) held at the offices of National Outlook Corporation, 100 East 42nd Street, New York, New York, on Wednesday, December 14, 1966, convened at the hour of 10:45 o'clock in the forenoon (New York time).

REPRESENTATION

There were present:

R. D. Bell
Murray Cooper
Fraser M. Fell
Mortimor S. Gordon
Adolph H Graetz
Harry Harris
Walter H. Knorr
S. Ungerleider
Arthur Wheeler

being a quorum of the board of directors.

FORMALITIES

The chairman of the board, Mr. Harry Harris, presided at the meeting and the secretary-treasurer, Mr. R. D. Bell, acted as secretary and took the minutes.

A quorum of the directors being present and this meeting having been reconvened by the chairman of the board as a continuation of the meeting of the board held on December 6, 1966, the chairman declared this adjourned meeting regularly constituted for the transaction of business.

ADOPTION OF MINUTES

The secretary read to the meeting the minutes of the meeting of the board of directors held on September 21, 1966.

the registrar and transfer agent for shares of the Company, be and they are hereby authorized and instructed to issue new certificates for shares of the Company's capital stock to replace the following certificates reported as being lost:

Cert. No. NT53153 - 500 shares registered Richard Fuchs

" " NT50994 - 100 shares registered John J. Short

" " NT46265 - 500 shares registered Frank Tumillo

SEDREN, S.A.

Financial Position

Mr. Walter H. Knorr then presented to the meeting a cash flow of Sedren, S.A., for the period from December 1, 1966 to June 30, 1967, a copy of which is appended as Schedule "B" to these minutes. Mr. Gordon asked what price was used for the production of copper subsequent to December 31, 1966. Mr. Knorr replied that a price of 48¢ per pound of copper was used. Mr. Gordon then stated that the cash flow had no meaning because Sedren would not receive this price for copper after December 31, 1966. He stated that Continental Copper & Steel Industries, Inc., was going to insist on the delivery of wire bars effective January 1, 1967, in accordance with the contract dated April 1, 1959, as amended.

Technical Operations

The president, Mr. Cooper, advised the meeting that the production target set for the Sedren operation was 600,000 pounds of copper per month. He stated that the operation was continually being interrupted by power failures. He also stated that he had sent Mr. C. R. Leslie, a well known Canadian mechanical and electrical engineer, to Haiti to assess the power situation and that he had now received his preliminary report. This report indicated the following:

1. There was sufficient power capacity at the mine to keep the operation running at capacity and therefore a

"the chances of bringing the possible ore calculations into the proven ore reserves are excellent". A copy of Albert A. Koffman's report is appended as Schedule "C" to these minutes.

The chairman reported that since Mr. Koffman's visit to the mine the drift on the 1700 Level had intersected a fault and that the drift had been turned to the west to follow this fault to the limestone. He read to the meeting portions of a report by Mr. J. M. Bracken, Sedren's new Mine Manager, dated December 5, 1966, a copy of which appears as Schedule "D" to these minutes. This report indicated that the significance of this fault was unknown but movement appears to have been great. The chairman stated that drifting and diamond drilling would have to be completed to try to locate the contact, and that it would probably be a few months before the significance of the fault could be determined.

INSURANCE CLAIMS

Mr. Knorr reported that insurance claims amounting to $135,000.00 covering the fire in the power house in August had been filed and that a meeting had been arranged with the Insurers for next week. He was hopeful that an advance payment of approximately $75,000.00 against the claims would be forthcoming from the Insurers in the near future.

PAYMENT OF DEBENTURE INTEREST

Mr. Graetz advised the meeting that if the minimum payment of interest is to be made, the Company, pursuant to an agreement with the debentureholders, will have to redeem approximately $70,000.00 of its outstanding debentures. It was decided to defer redemption of the required debentures

until the advance had been received from the Insurers for the fire loss experienced in August.

CONCENTRATE SALE AGREEMENT AND STATUS OF AGREEMENT DATED APRIL 1, 1959, as AMENDED, MADE BETWEEN CONTINENTAL COPPER & STEEL INDUSTRIES, INC. (C.C.S.), SEDREN, S. A., AND THE COMPANY

Mr. Gordon stated that the agreement between CCS and Sedren dated April 1, 1959, as amended, was a valid and enforceable contract. Mr. Gordon further stated that the amendments to the agreements dated July 1, 1964 allowing Sedren to deliver copper concentrates would terminate December 31, 1966 at which time Sedren was required under the said agreements to resume deliveries of wire bar.

Mr. Gordon advised the Board that if Sedren effectuated the necessary economies in its mining operation CCS would be willing to provide financial assistance to Sedren for its current operations.

The chairman advised the meeting that a new concentrate sales agreement must be negotiated to cover Sedren's production subsequent to December 31,1966.

CONCLUSION

There being no further business, UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that this meeting be and is hereby concluded.

As amended

Gary Harris
Chairman

Secretary

We, the undersigned directors of the Company do hereby verify as correct the foregoing minutes of the adjourned meeting of the board held December 14,1966 as amended and ratify all the resolutions passed and business transacted thereat.

Gary Harris

Murray Corp

Walter M

Adolph H Gruss

Clifton C. Wheeler

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MARKED FOR IDENTIFICATION
ROBERT
6/22/73

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Consolidated Halliwell Limited

(No Personal Liability)

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ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31

1966

Consolidated Halliwell Limited

(No Personal Liability)
Suite 714, 62 Richmond Street West
Toronto 1, Ontario

TO THE SHAREHOLDERS,
CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Your board of directors present herewith the Annual Report of your Company including the consolidated financial statement with the Auditors' Report for the fiscal year ended December 31, 1966, and the report of the Mine Manager covering operations of the Company's wholly-owned Haitian subsidiary, Sedren, S. A. Also enclosed is a notice of an Annual and Special General Meeting of shareholders together with a statutory Information Circular.

As pointed out in the Mine Manager's report, operations were again hampered by a shortage of power caused by continued mechanical failures in the diesel generating plant. In addition, a fire in the main powerhouse completely shut down four generating units for over a month last summer. These unexpected setbacks, in large part, resulted in a reduction in copper output of some 2.6 million pounds, as well as necessitating a cut-back in underground exploration and development work. At this writing all diesel generator units are reported in operation and producing sufficient power for normal mining operations. A program is now under way to re-build and overhaul any engines requiring this maintenance.

Nevertheless, higher metal prices received throughout the year resulted in net metal receipts of $2,798,355, which is approximately the same as received during the previous year. But higher unit operating costs resulting from the lower mill throughput reduced the year's operating profit to $476,883 compared to $756,574. Continued heavy amortization and depreciation charges resulted in a net loss of $1,169,076 compared to a net loss of $1,142,891 shown for 1965.

During the year a $250,000 payment was made on the Company's mortgage, thereby reducing the presently outstanding amount to $250,000. Furthermore, outstanding 6½% sinking fund debentures were redeemed in the amount of $150,000.

Since the commencement of production in September, 1960, to December 31, 1966, a total of 1,400,000 tons of ore have been milled to produce 85,300 tons of concentrate containing 58,700,000 pounds of copper. Net sales value total $18,200,000.

Ore Reserves

Ore reserves at the beginning of 1966 were reported at 325,355 tons grading 1.70% copper. After extracting 218,747 tons during that year, reserves at year end stood at 331,617 grading 1.58% copper. It will be seen from these figures that new ore developments during the year, although seriously affected by the difficulties referred to above, kept pace with the mining program.

Bulk of the new ore findings have been made within the new east mine area. Management is pleased to report that as of April 1, 1967, ore reserves have been increased further to 412,885 tons grading 1.58% copper with the outlook for developing additional tonnages in this area deemed very good. All percentages of copper expressed allow for a 10% dilution factor. While the new east ore contains slightly less copper than that in the original Mémé mine, it has a significant precious metal content that is expected to compensate for the difference.

Exploration

Underground exploration and development work during the current year is being concentrated in the new east mine area, and will include considerable diamond drilling to exploit this new potential. It is expected also that the sinking of an inclined shaft will be completed to permit the opening of two new working levels. Diamond drilling below the present bottom level has already indicated a possible 140,000 tons of additional ore.

General

As noted in the enclosed notice calling for an Annual and Special General Meeting, shareholders are being asked to approve a change in the Company's by-laws to decrease the number of directors from 11 to 7, as well as certain other amendments to the Company's by-laws designed to simplify and streamline corporate procedures.

The resignations of Messrs. D. W. Knight, R. D. Bell and F. M. Fell were accepted last April. Their positions have not been filled pending consideration by the shareholders of the by-laws reducing the number of directors on the board.

Shares of the Company have again been granted exemption from the U.S. Government's 15% Interest Equalization Tax Act.

In conclusion, your board wishes to express appreciation for the faithful services rendered by Mr. J. M. Bracken, Mine Manager, and by the staff and Haitian employees. The board would also like to record a continuing spirit of co-operation between mine management and the Haitian government officials familiar with the mine operations.

On Behalf of the Board of Directors,

MURRAY COOPER,
President.

Toronto, Ontario,
June 22, 1967.

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary

CONSOLIDATED STATEMENT OF DEFICIT

Year ended December 31, 1966

Deficit at beginning of year	2,578,189
Loss for year	1,169,076
Deficit at end of year	$3,747,265

CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES

Year ended December 31, 1966

Balance at beginning of year	3,293,228
Exploration expenditures incurred during year	102,986
	3,396,214
DEDUCT Amortization for year	679,243
BALANCE AT END OF YEAR	$2,716,971

BEST COPY AVAILABLE

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary

CONSOLIDATED STATEMENT OF INCOME

Year ended December 31, 1966

PRODUCTION OF CONCENTRATES, at estimated net realizable value under sales contracts			2,798,355
OPERATING EXPENSES:			
Mine development		52,124	
Mining		363,146	
Milling		162,652	
Mine general expense		1,456,669	
Administrative and other expenses		286,881	2,321,472
			476,883
OTHER EXPENSES:			
Debenture interest		196,693	
Interest on mortgage		22,398	
Other interest and administrative expenses		100,650	
Directors' fees		4,985	
Outside exploration		3,625	
		328,351	
LESS:			
Profit on foreign exchange	9,487		
Other income	127,868	137,355	190,996
			285,887
Income before undernoted items			
AMORTIZATION:			
Debenture discount		11,336	
Deferred exploration, development and administrative expenditures		679,243	
Excess of cost of shares in subsidiary over book value at date of acquisition		205,579	
		558,805	1,454,963
DEPRECIATION			
LOSS FOR YEAR			$1,169,076

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 1966

TRANSACTIONS IN U.S. CURRENCY:

The accounts of the subsidiary company in Haiti (Sedren) are maintained in U.S. dollars. Current assets and liabilities of the subsidiary have been translated into Canadian funds at the prevailing rate of exchange at the balance sheet date; all other assets and liabilities have been translated at par.

COPPER SALES CONTRACTS:

By various agreements the company, together with its subsidiary, contracted to sell to Continental Copper & Steel Industries, Inc., 80,000,000 pounds of electrolytic copper by December 31, 1966. At December 31, 1966 concentrates having an estimated copper content of 58,700,000 pounds had been delivered or were available for delivery under these contracts.

By agreements dated January 1, 1967 the existing agreements have been extended and amended as follows:

SELLING PRICE:

The selling prices of concentrates are to be based on the copper content at a composite average of market prices for the month in which the copper is delivered.

EXPLORATION AND DEVELOPMENT:

Sedren will set aside each year during the term of these agreements before any distribution is made by Halliwell by way of prepayment of principal on its debentures, at least $200,000 which sum shall be held in escrow and used exclusively in the exploration and development of additional ore on the Sedren concession and the C.N.E.S.A. concession. To the extent that any part of the said sum remains unexpended or uncommitted in any such year, such amount shall, at the option of Continental, be paid to Continental.

TERMINATION:

Continental may, at any time after December 31, 1968 at its option, upon three months written notice terminate this agreement as to any portion thereof then undelivered and upon such termination Sedren shall pay to Continental, by way of liquidated damages and not as a penalty, a sum equal to the amount of the discounts to which Continental would have become entitled in respect to the undelivered portion of up to 80,000,000 pounds had delivery been made, based on the average price for the three months commencing with the date of notification. At current prices this would amount to 2¢ U.S. per pound. There shall be credited against the returnable copper required to be delivered by Sedren under this agreement as amended, the aggregate amount of returnable copper produced in concentrates and sold to Continental.

SALES COMMISSION:

Upon delivery by Sedren of the 80,000,000 pounds of copper to be delivered by it pursuant to the terms of the agreements, Continental shall become the sales agent on a commission basis for the sale of the produce of all mining properties controlled or operated by Sedren or Halliwell for a term of five years, subject at the option of Continental to renewal for an additional term of five years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year ended December 31, 1966

INVESTMENTS:

In 1965 the company caused the incorporation of Compagnie Nationale D'Exploration S.A. (C.N.E.S.A.), a subsidiary company incorporated under the laws of the Republic of Haiti, to acquire and hold a mining concession in northern Haiti. Exploration to date has not disclosed an economic orebody.

The vendor of the concession, who retains a 3% interest therein, has commenced litigation to have the vending agreement rescinded. The company does not consider this claim valid and does not anticipate that any liability will arise therefrom.

AMORTIZATION AND DEPRECIATION POLICY:

Amortization of exploration, development and administrative expenditures at 20% and depreciation of fixed assets at rates varying from 5% to 33% are calculated on the diminishing balance basis.

Effective January 1, 1966 amortization of the excess of cost of shares in subsidiary over book value at date of acquisition has been commenced at the rate of 25% per annum on a straight line basis.

Indicated ore reserves at December 31, 1966 of approximately 460,000 tons will be exhausted by December 31, 1969 if ore is extracted at rates projected by company officials and if no further reserves are established. If amortization and depreciation were related to copper produced to date and to the estimated copper content of the indicated ore reserves, the unamortized balance of fixed assets, deferred charges and excess of cost of shares in subsidiary over book value at date of acquisition would be approximately $3,500,000 less than the aggregate value shown by the balance sheet.

MORTGAGE PAYABLE:

The mortgage bears interest at 6% per annum and is secured by all Sedren's real and immovable property in Haiti, including the mining concession. The balance of $271,000 ($250,000 U.S. funds) together with interest accrued which at December 31, 1966 amounted to $62,441 ($57,602 U.S. funds), is due June 29, 1967.

SINKING FUND DEBENTURES:

By agreement between Consolidated Halliwell Limited and the debentureholders, the latter have approved:

(1) postponement of the obligation to pay the interest due December 1, 1964, until December 1, 1969, and then at a premium of 10%;

(2) payment of interest accruing from December 1, 1964 at a fixed rate of 2% with interest on overdue interest at the same rate, and payment of additional interest at 4½% which may be postponed, without interest thereon, to May 31, 1970. Should any payment be postponed, Halliwell is to forthwith redeem debentures in a principal amount at least equal to the unpaid interest of which payment is postponed.

During the year interest so deferred aggregated $135,000 and debentures were redeemed in the sum of $150,000 on July 26, 1966. The company contends that such redemption fulfilled its obligation under the terms of the agreement.

Under the terms of a supplemental trust indenture dated June 1, 1961 the company is required to set aside 75% of the annual net profits, as defined in the trust indenture, from the mining operations of the Haitian subsidiary, for retirement of the debentures, after providing $500,000 as a working capital fund for the subsidiary. To date no funds have been set aside under this requirement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year ended December 31, 1966

Funds from the subsidiary's mining operations will be available to the company for retirement of debentures and other purposes only so long as payments made on the mortgage at least equal the aggregate payments by the subsidiary to the company, provided further that the subsidiary's working capital shall, after making any such payments, be not less than $500,000.

The supplemental trust indenture provides that debentures in the aggregate principal amount of $120,500 registered in the name of National Outlook Corporation have preference over all other debentures as to payment of principal and as to security therefor.

CAPITAL STOCK:

During the year, 25,000 shares of capital stock of the company were issued for $10,000 pursuant to an option granted to the former mine manager of Sedren.

There are no options outstanding at December 31, 1966.

CONTINGENT LIABILITY:

The subsidiary company was, as at December 31, 1966, contingently liable for severance allowances which under Haitian law are payable to any employee discharged after three months or more of service. No provision has been made by the company for possible severance payments. The company follows the policy of meeting these obligations as they materialize, charging such payments to expense when made.

ROYALTIES:

By agreement dated April 29, 1955, the Government of the Republic of Haiti granted to Sedren the right to exploit for a period of twenty-five years, renewable under certain conditions for an additional twenty-five years, certain copper-bearing properties located in the Terre Neuve Area of Haiti. The agreement provides for the payment of a royalty to the government of 6% of net smelter returns, and of an annual tax.

OTHER INCOME:

Other income includes $117,000 relating to an insurance claim in connection with a flash flood and fire.

PLAINTIFF'S EX 4
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PLF EXHIBIT 151
MARKED FOR IDENTIFICATION
ROBES
6/22/73

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1965

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Consolidated
Halliwell
Limited

(No Personal Liability)

Consolidated Halliwell Limited

(No Personal Liability)

Suite 509, 25 Adelaide Street West
Toronto 1, Ontario

To the Shareholders,
CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability).

Your Directors present herewith the Annual Report of your Company including the consolidated financial statement with Auditors' Report for the fiscal year ended December 31, 1965 and the report of G. A. Davison, Mine Manager, dated May 10, 1966 covering the activities of your Company's wholly owned Haitian subsidiary, Sedren, S.A.

The higher copper prices available during the year permitted your Company to place in reserves a significant tonnage of what was previously categorized as sub-marginal ore. During the latter half of 1965 this ore represented a good part of the daily milling tonnage. This same price factor also allowed for a considerable amount of essential re-equipping in the power plant. Because of repeated breakdowns causing serious operating problems new units had to be purchased. The installation of these generators took a greater amount of time than expected due for the most part to slow equipment deliveries. The breakdowns led to a modest decline in tonnage treated. With the availability of extra power immediate benefits have been already evident and this particular area of operations should not present any future problems. At the same time compressor units have been overhauled as have other sections of the mechanical installations.

The foregoing had an adverse effect on operations resulting in a reduction of operating profit from $1,059,390 in 1964 to $756,574 in 1965. Also reflected was the lower grade of ore treated in the year of 2.017% copper as compared to 2.267% in the 1964 period. Despite the lower profit, funds were still ample to provide for payment of $250,000 against the property mortgage and a reduction of $330,000 in the outstanding 6½% sinking fund debentures.

It will be noted that ore reserves declined moderately during the year. By year's end, an aggressive mine exploration and development program had been initiated which is currently making satisfactory progress and is aimed at increasing ore reserves. Shareholders should appreciate that the nature of the Mémé ore deposits requires considerable detailed development work before they can be categorized as ore reserves. Detailed exploration and development work now being carried out in several favorable areas provide some measure of confidence that additional blocks of ore will be uncovered and ultimately placed in this reserve category. Furthermore, since the deposits exist in a strong geological structure extending well beyond developed mine limits, the possibilities of new ore occurrences are considered favorable and a great deal of this type of work has been scheduled for the current year.

At the moment emphasis is on exploration and development on the 1700 level while drives are being extended toward the Casseus Zone from the 1300 and 1500 levels. These drives should ultimately provide a base for exploration and development of the Casseus, which has always shown a potential for making large

tonnages of low grade copper ore. But in the interval they will facilitate exploration of the intervening ground.

An incline shaft is being extended down from the 1700 level to give access to the ore already outlined by diamond drilling and to provide a base for deep exploration. This shaft will also be raised through to surface permitting ore to be hoisted directly to an area in the immediate vicinity of the concentrator. This facility will effect economies in ore haulage and hoisting.

OUTSIDE EXPLORATION

A new development of considerable potential is a copper discovery at Boucarie Creek located roughly 25 miles northeast of the mine operation. Work on this deposit is being carried out for the sole account of our wholly owned subsidiary Compagnie Nationale d'Exploitation S.A. (CNESA) which holds an exploration concession covering 3,000 to 4,000 square miles in the northern sector of Haiti. The Boucarie Creek ground forms a part of this concession. As now known, drilling has confirmed a copper bearing quartz pyrite zone striking north 30° west and a dip of 45° to 75° southwest. Taking the best section revealed in the drilling to date, the zone is an average thickness of 48.5 feet assaying 3.92% copper. All six holes completed to date have returned copper values, the most significant of which were the discovery hole as reported to shareholders on March 15 last and holes No. 5 and 6 described below:

> Hole No. 5 collared 50 feet N 40° W from hole No. 1 at an angle of 45° and a bearing of N 40° E cut 45 feet assaying 2.91% copper, from 33 feet to 78 feet. From 78 feet to 210 feet, a length of 132 feet, assayed 0.45% copper.
>
> Hole No. 6 drilled from the same location as No. 5 at an angle of 70°, cut 52 feet assaying 4.79% copper from 32 feet to 84 feet. From 84 feet to 128 feet, a length of 44 feet, assayed 1.40% copper. This hole was completed at 146 feet and the last 18 feet, from 128 to 146 feet, gave 0.20% copper.

It is planned to drill additional holes along strike and if these prove encouraging heavier drill rigs will be immediately moved in to carry out deeper exploration.

As noted in previous reports, shareholders are reminded that the Company's shares are exempt from the U.S. Government's 15% equalization tax until March 31, 1967, prior to which an extension will be sought.

In conclusion, your Directors wish to extend a note of appreciation for the faithful services rendered by Mr. G. A. Davison, Mine Manager, and by the staff and Haitian employees. Your Directors would also like to record the spirit of co-operation which continues between mine management and Haitian officials familiar with the mine operations.

On Behalf of the Board of Directors,

MURRAY COOPER,
President.

Toronto, Ontario,
June 1, 1966.

Consolidated Halliwell Limited

(No Personal Liability)

The President and Directors,
CONSOLIDATED HALLIWELL LIMITED,
Suite 509, 25 Adelaide Street West,
Toronto 1, Ontario.

Gentlemen:

The following report covers the mining operations of your wholly owned subsidiary, Sedren S.A., in the Terre Neuve district of the Republic of Haiti during 1965.

PRODUCTION

A total of 234,719 tons of ore were milled averaging 2.017% copper. This yielded 11,269 tons of concentrate containing 8,730,454 lbs. of copper plus an estimated 6,719 ozs. gold and 77,488 ozs. silver. Recovery averaged 92.187%.

By comparison, 265,867 tons were milled during the previous year averaging 2.267% copper for a production of 13,950 tons of concentrate containing 11,086,915 lbs. of copper, 8,090 ozs. gold and 92,057 ozs. silver.

Net sales value of the 1965 production is estimated at $2,841,464 compared to $3,370,578 in 1964 and $3,232,994 in 1963.

CONCENTRATE SHIPMENTS

Ten shipments of concentrates were made from the Company wharf at La Pierre totalling 11,276 short dry tons.

STOPING SUMMARY

A total of 321,851 tons of ore were broken in stoping operations while 206,778 tons were removed.

Following is the breakdown of mine production:

Level	Tons Broken	Tons Removed	Broken Ore Remaining
1300	96,801	63,703	37,269
1500	3,450	4,586	636
1600	110,100	101,795	25,005
1700	21,500	36,694	3,645
	231,851	206,778	66,555

EXPLORATION AND DEVELOPMENT

Underground advances totalled 8,088 feet of which 4,101 was raising, 3,259 feet drifting and crosscutting, and 728 feet of sub-drifting. This work resulted in 28,963 tons of ore and 5,241 tons of waste being removed. Much of this work was for the purpose of delimiting and preparing known ore blocks for mining. The most important area of exploration was on the 1700 level where driving was continued to the northeast along the limestone-volcanic contact.

A total of 35,041 feet of diamond drilling was carried out during the year. Of this, 17,716 feet was connected with underground development, 11,242 feet for underground exploration and 6,083 feet from surface. The deep drilling, which was carried out from surface and totalled 4,825 feet, was suspended in July. The character of the volcanic rock encountered made this work slow and very costly.

In addition to extending drives along the limestone contact on three levels, a winze is to be sunk below the 1700 level to facilitate the mining of two blocks of ore, as well as to facilitate further depth exploration. While the need for production can not be overlooked, it will be the policy during the year to give more emphasis to exploration work.

Outside exploration activities consisted mainly of our own geologists continuing field work on the more promising structures in the vicinity of the Mémé mine.

ORE RESERVES

Estimated ore reserves at year end totalled 325,355 tons grading 1.70% copper, compared to 374,500 tons grading 2.14% copper at the end of 1964. Following is the breakdown:

Above	Tons	Grade % Copper
1100 Level	2,500	2.00
1200 Level	41,000	2.30
1300 Level	25,975	2.09
1500 Level	102,030	1.22
1600 Level	19,900	1.96
1700 Level	47,350	1.83
Below 1700 Level	31,000	1.94
Broken Ore	55,600	1.64
Totals	325,355	1.70

GENERAL

Higher export prices for copper coupled with reduced operating costs made it possible to lower the cut-off point in the mine thus releasing for economical milling marginal grade ore previously not carried in reserves.

A shortage of power and compressed air, brought about by a succession of unforeseeable mechanical failures, hampered the operation during the year. However, this will be overcome by the purchase of two new diesel generators. One of these is already on line and the second unit will be in operation before the end of the current month.

Employees during the year averaged 518 Haitians and 18 foreign supervisory staff. Continued attention will be directed to the training of Haitian personnel during the year with a view to increasing the efficiency of the operation.

The writer wishes to express his grateful acknowledgement for the co-operation rendered by Haitian government officials, Local and National, and his appreciation for the help and guidance rendered by Company officials and all employees at the mine.

Respectfully submitted,

G. A. DAVISON,
Manager.

Port-au-Prince, Haiti,
May 10, 1966.

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary
SEDREN, S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

Year ended December 31, 1965

TRANSACTIONS IN U.S. CURRENCY:

The accounts of the subsidiary company in Haiti are maintained in U.S. dollars. Current assets and liabilities of the subsidiary have been translated into Canadian funds at the prevailing rate of exchange at the balance sheet date; all other assets and liabilities have been translated at par.

COPPER SALES CONTRACTS:

By agreement dated April 1, 1959, as amended, the company, together with its subsidiary, contracted to sell to Continental Copper & Steel Industries, Inc., 80,000,000 pounds of electrolytic copper in wire bars by December 31, 1966. By further agreements dated July 1, 1964 Continental has agreed to waive the delivery of wire bars during the period from July 1, 1964 to December 31, 1966 and to purchase all copper concentrates produced from Sedren's Haitian property during that period. The copper content of such concentrates will apply against the 80,000,000 pounds referred to above. Up to December 31, 1965, concentrates having an estimated copper content of 53,120,000 pounds have been delivered or were available for delivery under these contracts.

The selling prices of concentrates are based on the copper content at average market price for the month in which the copper is delivered. In accordance with the terms of the contract, Sedren grants to Continental a discount, which varies with market prices to a maximum of 2¢ U.S. per pound, on copper purchased by Continental but in any event the selling price realized by Sedren shall not be less than 24¢ U.S. per pound.

Should the company fail to complete delivery of the 80,000,000 pounds of copper in either wire bar or concentrate form as referred to above, Continental may at its option either terminate the agreement as to the undelivered portion or extend the time to the company to complete delivery. Should the agreement be terminated the company would be obligated to pay to Continental liquidated damages, amounting to the discount to which Continental would have been entitled in respect to the undelivered portion of the contract. Based on the current quoted price of copper this discount would amount to 1¼¢ U.S. per pound.

INVESTMENT IN AND ADVANCES TO C.N.E.S.A.:

The Company has caused the incorporation of Compagnie Nationale D'Exploitation S.A. (C.N.E.S.A.), a subsidiary company incorporated under the laws of the Republic of Haiti, to acquire and hold a mining concession in northern Haiti.

By agreement dated October 1, 1964, as amended February 3, 1965, Halliwell entered into a joint venture with Guggenheim Exploration Company, Inc. to explore the mining concession. The company considers the joint venture agreement to have terminated when Guggenheim did not give notice within 30 days of February 2, 1966 of its intention to proceed with further exploration, as required by the agreement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (continued)

Year ended December 31, 1965

AMORTIZATION AND DEPRECIATION POLICY:

The company commenced amortization of deferred exploration, development and administrative expenses and depreciation of fixed assets January 1, 1964 at a rate of 20% per annum on a straight line basis. Amortization and depreciation had not previously been provided as it was the policy of the company not to commence write-offs until expiration of the first three years of commercial operations, during which time it was exempt from Haitian income tax.

Amortization of deferred expenses and depreciation for the current year are calculated on the diminishing balance basis at rates varying from 5% to 33% and in the aggregate these provisions are approximately $374,000.00 lower than they would have been if calculated on the basis used in 1964. Amortization and depreciation for 1964 have been revised, by adjustment of deficit, to reflect the basis of calculation used in 1965.

Presently proven ore reserves will be exhausted by July 1967 if production continues at the 1965 rate of 20,000 tons of ore monthly and if no additional ore reserves are developed.

MORTGAGE PAYABLE:

The mortgage bears interest at 6% per annum and is secured by all Sedren's real and immovable property in Haiti, including the mining concession. The balance is payable in two annual instalments of $250,000.00 U.S. on June 29, 1966 and 1967. By agreement dated February 19, 1965 the mortgagor has consented, subject to the extension of its existing interest in the capital stock of Halliwell, to the deferment to June 29, 1967 of interest at 4% per annum due June 29, 1965 and June 29, 1966.

SINKING FUND DEBENTURES:

By agreement between Consolidated Halliwell Limited and the debentureholders, the latter have approved:

(1) postponement of the obligation to pay the interest due December 1, 1964, until December 1, 1969, and then at a premium of 10%.

(2) payment of interest accruing from December 1, 1964 at a fixed rate of 2% with interest on overdue interest at the same rate, and payment of additional interest at 4½% which may be postponed, without interest thereon, to May 31, 1970. Should any payment be postponed, Halliwell is to forthwith redeem debentures in a principal amount at least equal to the unpaid interest of which payment is postponed.

Under the terms of a supplemental trust indenture dated June 1, 1961 the company is required to set aside 75% of the annual net profits, as defined in the trust indenture, from the mining operations of the Haitian subsidiary, for retirement of the debentures, after providing $500,000.00 as a working capital fund for the subsidiary.

Funds from the subsidiary's mining operations will be available to the company for retirement of debentures and other purposes only so long as payments made on the mortgage at least equal the aggregate payments by the subsidiary to the company, provided further that the subsidiary's working capital shall, after making any such payments, be not less than $500,000.00.

The supplemental trust indenture provided that debentures in the aggregate principal amount of $270,500.00 registered in the name of National Outlook Corporation have preference over all other debentures as to payment of principal and as to security therefor.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (continued)

Year Ended December 31, 1965

CAPITAL STOCK:

By agreement dated January 27, 1965, the company granted to the mine manager of Sedren S.A., an option to purchase up to 100,000 shares of capital stock of Consolidated Halliwell at 40¢ per share.

During the year, 25,000 shares were taken down under the option and subsequent to December 31, 1965 a further 25,000 shares were taken down. The option subsequently terminated when the manager left the employ of the company.

CONTINGENT LIABILITIES:

ROYALTIES:

By agreement dated April 29, 1955, the Government of the Republic of Haiti granted to Sedren the right to exploit for a period of twenty-five years, renewable under certain conditions for an additional twenty-five years, certain copper-bearing properties located in the Terre Neuve Area of Haiti. The agreement provides for the payment of a royalty to the Government of 6% of net smelter returns, and of an annual tax which in 1965 amounted to $22,500.00.

By agreement dated June 15, 1965, the government accepted $60,000.00 U.S. in full settlement of royalties accruing from December 31, 1964 to September 30, 1965.

The company is presently negotiating for a new basis of computing royalties accruing after September 30, 1965 with the Haitian Government. Royalties otherwise payable to December 31, 1965 are estimated at $44,700.00.

NOTES RECEIVABLE:

The company is contingently liable for trade acceptances in the amount of approximately $544,000.00 which have been discounted at a bank and mature April 22, 1966.

OTHER:

The subsidiary company was, as at December 31, 1965, contingently liable for severence allowances which under Haitian law are payable to any employee discharged after three months or more of service. No provision has been made by the company for possible severance payments. The company follows the policy of meeting these obligations as they materialize, charging such payments to expense when made.

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary
SEDREN, S.A.

CONSOLIDATED STATEMENT OF INCOME

Year ended December 31, 1965

Production of concentrates, at estimated net realizable value under sales contracts			2,910,461
OPERATING EXPENSES:			
Mine development		55,491	
Mining		344,191	
Milling		160,861	
Mine general expense		1,482,046	
Administrative expenses		111,298	2,153,887
			756,574
OTHER EXPENSES:			
Debenture interest		213,646	
Interest on mortgage		37,397	
Other interest and administrative expenses		96,503	
Directors' fees		2,795	
		350,341	
LESS:			
Profit on foreign exchange	41,892		
Other income	3,085	44,977	305,364
Income before undernoted items			451,210
Amortization of debenture discount		13,906	
Amortization of deferred exploration, development and administrative expenses		823,307	
Depreciation		756,888	1,594,101
LOSS FOR YEAR			$1,142,891

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary
SEDREN, S.A.

CONSOLIDATED STATEMENT OF DEFICIT

Year ended December 31, 1965

Deficit at beginning of year		1,289,949
ADD: Loss for year	1,142,891	
Adjustment of depreciation for 1964 (see note)	145,349	1,288,240
DEFICIT AT END OF YEAR		$2,578,189

CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES

Year ended December 31, 1965

Balance at beginning of year	3,951,210
Exploration expenses incurred during year	165,325
	4,116,535
DEDUCT Amortization for year	823,307
BALANCE AT END OF YEAR	$3,293,228

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ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1964

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Consolidated Halliwell Limited

(No Personal Liability)

Consolidated Halliwell Limited

(No Personal Liability)

Suite 509, 25 Adelaide Street West
Toronto 1, Ontario

To the Shareholders,
CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability).

Your Directors present herewith the Annual Report of your Company, consisting of the following:

1. Report dated May 10th, 1965 covering the activities of your Company's wholly owned Haitian subsidiary, Sedren, S.A., for the fiscal year ended December 31, 1964, by G. G. Bryan, Mine Manager.
2. Consolidated financial statement of the Company and its wholly owned subsidiary for the year ended December 31, 1964, with Auditors' Report thereon dated April 30, 1965.

This Annual Report, including the Mine Manager's remarks, unfolds in detail the splendid progress realized by your subsidiary in the Republic of Haiti during 1964. Further refinements in operations at the mine and the higher prices received for copper during the final six months of the year resulted in increased profits. These favourable factors permitted a payment of $250,000 against the property mortgage in Haiti and resulted in outstanding 6½% Sinking Fund Debentures being reduced to $3,387,000 at December 31st, 1964, from $3,603,000 at December 31st, 1963.

It is to be noted that the June 1st, 1964 debenture interest was satisfied by the issuance of Company shares at the rate of forty cents per share. Also, the December 1st, 1964 interest payment was deferred and is payable at a 10% premium on December 1st, 1969. These actions permitted your Management to release funds for reduction of debt and to expand the exploration program.

Operating profit reached a record $1,059,390.08 from peak production revenue of $3,370,578.12 in the year reviewed, as against $868,451.73 and $3,232,994.43, respectively, in 1963. This progressive trend has been continued in 1965 and recent increases in export prices of copper should reflect an additional benefit as the year progresses.

Albert A. Koffman, Consulting Geologist, following an up to date examination of all phases of operations in Haiti, reports further improvements in Sedren's affairs since the end of 1964. He indicates that developed ore has steadily expanded which suggests that by year-end operating costs should be lowered to a point where some 4,000 tons of sub-marginal ore can be milled monthly. A combination of lowered costs, a reduced labour force and higher export prices of copper should permit the milling of ore not previously deemed economical.

Mr. Koffman states that a small lense of ore was recently encountered in the 1700 level east drift, being opened for over 60 feet in length and averaging 5% copper across 5 feet. Potential in the area will be explored by underground diamond drilling. Other exploration on this level located three new ore lenses which will be further investigated and drifting is also proceeding to explore the area where a surface hole cut 22 feet of 2.34% copper.

A surface diamond drilling program was initiated to test previously unexplored areas in the vicinity of the mine which offer favourable geologic possibilities. Some delay in drill site preparation was caused by the rugged terrain and considerable difficulty was encountered in penetrating the overlying poorly consolidated volcanic formation. Twenty holes were completed, ranging in depth to 1,200 feet. With the importation of specialized drilling equipment now on site, the program has been extended to trace the favourable limestone formation to the east, as well as to the north toward the Casseus mineralized zone.

Earlier this year your Company joined forces with Guggenheim Exploration Company, Inc., whose partners are Reynolds Metals Company and Cerro Corporation, to explore concession rights covering some 3,000 to 4,000 square miles in the northern sector of the Republic of Haiti.

The Company's shares are exempt from the U.S. Government's 15% interest equalization tax act until March 31st, 1966, prior to which time a further extension will be sought.

Your Directors express deepest regret on the sudden passing of fellow Board member, Mr. H. W. Knight, Jr., whose efforts were primarily responsible for developing and raising finances to bring the Haitian property to production. We are happy to report his successor is David W. Knight, his son.

In conclusion, your Directors wish to extend their appreciation for the faithful service of Mr. G. G. Bryan, Mine Manager, and Mr. G. A. Davidson, Assistant Manager, staff and Haitian employees. Your Directors would also like to advise shareholders of the fine spirit of co-operation between mine management and Haitian officials familiar with operations at the mine.

Submitted on behalf of the Board of Directors.

MURRAY COOPER,
President.

Toronto, Ontario,
May 18, 1965.

Consolidated Halliwell Limited

(No Personal Liability)

The President and Directors,
CONSOLIDATED HALLIWELL LIMITED,
Suite 509, 25 Adelaide Street West,
Toronto 1, Ontario.

Gentlemen:

The following report covers the activities during the year 1964 of your wholly owned subsidiary, Sedren, S.A., on its concession in the Terre Neuve district in Haiti.

PRODUCTION

A total of 265,867 tons of ore with an average copper content of 2.267% were milled during the year to produce 13,950 tons of concentrate containing 11,036,915 lbs. of copper plus an estimated 8,090 ozs. of gold and 92,057 ozs. of silver. This compares with 1963 production of 17,837 tons of concentrate containing 12,973,066 lbs. of copper, 6,778 ozs. gold and 107,022 ozs. silver from 280,515 tons of ore.

Net sales value of 1964 production is estimated at $3,370,578.00 compared to $3,232,994.00 in 1963 and $2,844,947.00 in 1962.

CONCENTRATE SHIPMENTS

Ten shipments of concentrates were made from the Company wharf at La Pierre for a total of 17,096 short dry tons.

MILLING

Minor changes made in reagents and in the mill flowsheet in August resulted in improved recovery and concentrate grade. Recovery averaged 92.5% over the last five months of the year, an improvement of approximately 1%. Concentrate grade averaged slightly over 42% during this period. This is an improvement of between 3% and 4%, although concentrate grade normally fluctuates depending upon the relative proportions of bornite and chalcopyrite in the ore from different sections of the mine.

STOPING SUMMARY

Ore broken in stoping operations in the mine totalled 231,655 tons while 249,968 tons were removed.

A breakdown on mine production follows:

Level	Tons Broken	Tons Removed	Broken Ore Remaining
1300	73,900	88,800	1,723
1500	18,575	22,914	3,036
1600	92,670	73,554	20,944
1700	46,510	64,700	—
	231,655	249,968	25,703

EXPLORATION AND DEVELOPMENT

Underground advance amounted to 6,040 feet of which 1,105 feet was exploration in the areas of ore indicated by surface diamond drilling. The balance was for stope development and preparation. 16,000 tons of ore from development were milled.

Underground diamond drilling for exploration and for outlining of ore totalled 5,788 feet.

SURFACE DIAMOND DRILLING

A surface drilling program was started in April, 1964 with two machines and by year end 16,372 feet had been completed. In the current year at least another 10,000 feet of drilling will be carried out.

Two ore intersections were encountered about 1,200 feet east of the main shaft. These are being further investigated by underground drilling and by a drift along the limestone contact on the 1700 level.

ORE RESERVES

Ore reserves, as of December 31, 1964, were calculated at 374,500 tons averaging 2.14% copper. This compares with 454,000 tons at 2.48% estimated on December 31, 1963.

Present distribution of ore reserves is as follows:

Area		Tons	Grade	Tons Fine Cu.
Above 1300 Level	(Drill Indicated Ore)	134,200	1.88	2,527.7
Above 1500 Level	"	15,000	1.50	225.0
Above 1600 Level	"	129,600	2.38	3,088.5
Above 1700 Level	"	10,000	2.00	200.0
Broken ore		25,700	2.25	578.2
SUB-TOTAL		314,500	2.12	6,619.4
Possible ore		60,000	2.20	1,375.0
TOTAL		374,500	2.14	7,994.4

GENERAL

Total number of employees, in all phases of the operation, averaged 554 Haitians and 21 foreigners. Personnel relations continued satisfactorily throughout the year.

A fine spirit of co-operation existed throughout the year between the Company and the Haitian officials, both local and national.

In closing I wish to express my appreciation to the Company officials for their help and guidance, and to the staff and employees in Haiti for their loyalty and co-operation.

Respectfully submitted,

G. G. BRYAN,
Mine Manager.

Port-au-Prince, Haiti,
May 10, 1965.

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Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary
SEDREN, S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

Year ended December 31, 1964

TRANSACTIONS IN U.S. CURRENCY:

The accounts of the subsidiary company in Haiti are maintained in U.S. dollars. Current assets and liabilities of the subsidiary have been translated into Canadian funds at the prevailing rate of exchange at the balance sheet date; all other assets and liabilities have been translated at par.

COPPER SALES CONTRACTS:

By agreement dated April 1, 1959, as amended, the company, together with its subsidiary, contracted to sell to Continental Copper & Steel Industries, Inc., 80,000,000 pounds of electrolytic copper in wire bars by December 31, 1966. By further agreements dated July 1, 1964 Continental has agreed to waive the delivery of wire bars during the period from July 1, 1964 to December 31, 1966 and to purchase all copper concentrates produced from Sedren's Haitian property during that period. The copper content of such concentrates will apply against the 80,000,000 pounds referred to above. Up to December 31, 1964, concentrates having an estimated copper content of 44,753,000 pounds have been delivered or were available for delivery under these contracts.

The selling prices of concentrates are based on the copper content at average market price for the month in which the copper is delivered. In accordance with the terms of the contract, Sedren grants to Continental a discount, which varies with market prices to a maximum of 2¢ U.S. per pound, on copper purchased by Continental but in any event the selling price realized by Sedren shall not be less than 24¢ U.S. per pound.

Should the company fail to complete delivery of the 80,000,000 pounds of copper in either wire bar or concentrate form as referred to above, Continental may at its option either terminate the agreement as to the undelivered portion or extend the time to the company to complete delivery. Should the agreement be terminated the company would be obliged to pay to Continental liquidated damages, amounting to the discount to which Continental would have been entitled in respect to the undelivered portion of the contract. Based on the current quoted price of copper this discount would amount to approximately 1½¢ U.S. per pound.

PREFERRED STOCK OF CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

The 15,900 shares of 5%, $25 par value, preferred stock of Continental Copper & Steel Industries, Inc., represent the balance of 60,000 shares acquired in 1961 by the subsidiary in consideration for which it gave to Continental its mortgage obligation of $1,500,000.00 on all its real and immovable property in Haiti, including the mining concession. The mortgage bears interest at 6% per annum and the balance thereof is payable in three annual instalments of $250,000.00 U.S. from June 29, 1965 to 1967. By agreement dated February 19, 1965 Continental has agreed, subject to the retention of its existing interest in the capital stock of Halliwell, to the deferment to June 29, 1967 of 4% per annum of the interest instalments of 6% due thereon on June 29, 1965 and June 29, 1966.

Subsequent to December 31, 1964, Sedren, S.A. sold the 15,900 shares for $297,714.54. The loss thereon of $99,785.46 has been charged to deficit.

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary
SEDREN, S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (continued)

Year ended December 31, 1964

ADVANCES TO C.N.E.S.A.

By agreement dated October 1, 1964, as amended February 3, 1965, the company has entered into a joint venture with Guggenheim Exploration Company, Inc. to explore a mining concession in northern Haiti.

Halliwell has no cash commitment under the agreement but retains a 15% interest which may be increased to 25% should it elect to contribute 10% of the funds used for exploration in excess of the $100,000.00 which Guggenheim may undertake to expend on the concession.

Halliwell has caused the incorporation of Compagnie Nationale D'Exploitation S.A. (C.N.E.S.A.), a company incorporated under the laws of the Republic of Haiti, to acquire and hold the mining concession and the company's interest in the joint venture.

AMORTIZATION AND DEPRECIATION POLICY:

The company commenced amortization of deferred exploration, development and administrative expenses and depreciation of fixed assets January 1, 1964 at a rate of 20% per annum on a straight line basis. Amortization and depreciation have not previously been provided as it was the policy of the company not to commence write-offs until expiration of the first three years of commercial operations, during which time it was exempt from Haitian income tax.

Presently proven ore reserves will be exhausted by December 31, 1966 if production continues at current levels.

SINKING FUND DEBENTURES:

By agreement dated December 17, 1964 between Consolidated Halliwell Limited and the debenture-holders, the latter have approved:

(1) postponement of the obligation to pay the interest due December 1, 1964 until December 1, 1969, and then at a premium of 10%.

(2) payment of interest accruing from December 1, 1964 at a fixed rate of 2% with interest on overdue interest at the same rate, and payment of additional interest at 4½% which may be postponed, without interest thereon, to May 31, 1970. Should any payment be postponed, Halliwell is to forthwith redeem debentures in a principal amount at least equal to the unpaid interest of which payment is postponed.

(3) extension of maturity date of the debentures from May 31, 1965 to May 31, 1970.

Under the terms of a supplemental trust indenture dated June 1, 1961 the company is required to set aside 75% of the annual net profits, as defined in the trust indenture, from the mining operations of the Haitian subsidiary, for retirement of the debentures, after providing $500,000.00 as a working capital fund for the subsidiary.

Funds from the subsidiary's mining operations will be available to the company for retirement of debentures and other purposes only so long as payments made on the mortgage at least equal the aggregate payments by the subsidiary to the company, provided further that the subsidiary's working capital shall, after making any such payments, be not less than $500,000.00.

The supplemental trust indenture provides that debentures in the aggregate principal amount of $600,500.00 registered in the name of National Outlook Corporation have preference over all other debentures as to payment of principal and as to security therefor.

CONTINGENT LIABILITIES:

ROYALTIES:

By agreement dated April 29, 1955, the Government of the Republic of Haiti granted to Sedren the right to exploit for a period of twenty-five years, renewable under certain conditions for an additional twenty-five years, certain copper-bearing properties located in the Terre Neuve Area of Haiti. The agreement provides for the payment of a royalty to the Government ot 6% of net smelter returns, and of an annual tax which in 1964 amounted to $22,500.00.

By agreement dated June 16, 1964, the Government has granted Sedren, S.A. a moratorium on the obligation to pay royalties, provided that additional ore of commercial quantity is not discovered. Royalties to December 31, 1964 would have amounted to $356,724.50 if the moratorium had not been granted.

OTHER:

The subsidiary company was, as at December 31, 1964, contingently liable for severance allowances which under Haitian law are payable to any employee discharged after three months or more of service. No provision has been made by the company for possible severance payments. The company follows the policy of meeting these obligations as they materialize, charging such payments to expense when made.

An attorney has filed a claim against the company in the sum of $39,000.00 for services allegedly rendered. The company has accrued $5,000.00 in respect of this contingent liability.

CAPITAL STOCK:

During the year, 243,953 shares of capital stock were issued at 40¢ per share for debenture interest due June 1, 1964.

By agreement dated January 27, 1965, the company has granted to the mine manager of Sedren, S.A., an option to purchase up to 100,000 shares of capital stock of Consolidated Halliwell Limited at 40¢ per share, 25,000 shares in consideration for continuous employment to June 30, 1965 and an additional 25,000 shares for each successive period of 6 months continuous employment up to December 31, 1966.

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary
SEDREN, S.A.

CONSOLIDATED STATEMENT OF INCOME

Year ended December 31, 1964

Production of concentrates, at estimated net realizable value under sales contracts			3,370,578.12
OPERATING EXPENSES:			
Mine development		65,111.74	
Mining		387,567.20	
Milling		164,768.06	
Mine general expense		1,573,201.60	
Administrative expenses		120,539.44	2,311,188.04
			1,059,390.08
OTHER EXPENSES:			
Debenture interest		234,066.51	
Interest on mortgage		52,396.54	
Interest on bank loan		13,279.86	
Other interest and administrative expenses		78,961.93	
Directors' fees		3,977.50	
		382,682.34	
LESS:			
Dividends received, net of taxes withheld	13,912.48		
Profit on foreign exchange	74,528.23	88,440.71	294,241.63
Income before undernoted items			765,148.45
Amortization of debenture discount		13,258.30	
Amortization of deferred exploration, development and administrative expenses		987,802.55	
Depreciation		928,368.40	1,929,429.25
LOSS FOR YEAR			$ 1,164,280.80

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary
SEDREN, S.A.

CONSOLIDATED STATEMENT OF DEFICIT

Year ended December 31, 1964

Deficit at beginning of year		180,228.29
ADD:		
Loss for year	1,164,280.80	
Write-down of investment in preferred stock of Continental Copper & Steel Industries, Inc. to realizable value	99,785.46	1,264,066.26
		1,444,294.55
DEDUCT Adjustment of royalties accrued in prior years		154,345.72
DEFICIT AT END OF YEAR		$ 1,289,948.83

CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES

Year ended December 31, 1964

Balance at beginning of year	4,777,972.73
Exploration expenses incurred during year	161,040.00
	4,939,012.73
DEDUCT Amortization for year	987,802.55
BALANCE AT END OF YEAR	$ 3,951,210.18

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ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1963

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Consolidated Halliwell Limited

(No Personal Liability)

Consolidated Halliwell Limited

(No Personal Liability)

To the Shareholders
CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Your Directors present herewith the Annual Report of your Company, consisting of the following:

1. Report dated May 22, 1964, covering the activities of your Company's wholly-owned Haitian subsidiary, Sedren, S.A., for the fiscal year ended December 31, 1963, by W. J. Cook, Mine Manager.
2. Consolidated Financial Statement of the Company and its wholly-owned subsidiary for the year ended December 31, 1963, with Auditors' Report thereon dated March 3, 1964.

The Mine Manager's remarks, contained within this Annual Report, reveal in detail your subsidiary Company's operations in the Republic of Haiti during the year reviewed. Close to a $400,000.00 increase in revenue from production and sale of concentrates permitted the annual reduction in the property mortgage in Haiti as well as the reduction of the Company's outstanding 6½% Sinking Fund Debentures from $3,872,000 at December 31, 1962 to $3,603,000 at December 31, 1963.

Management is pleased to point out operating profit increased to $868,451.73 on total production revenue of $3,232,994.43 in 1963 from $744,225.46 and $2,844,947.47, respectively, in 1962.

Although disappointed over the failure of the long adit driven into the Casseus property to indicate a greater copper content, management nevertheless is continuing to investigate the possibilities existing in some 7,000,000 tons of 0.65% copper contained within these workings. A feasibility study is to be made immediately to assess what possible mining and milling methods could be utilized to process this material economically.

Early last April your Company commenced a surface diamond drilling program, utilizing two drilling rigs on a two ten-hour shift basis, to explore the known mineralized area in close proximity to the main Meme workings. Drilling is being conducted to the north and to the east from the main mineralized zone. This exploration has shown some promise and warrants a continuation of the search for ore, not only in the extension of the existing ore zone but also at depth where encouraging results have been recently found. It is estimated that approximately 20,000 ft. of surface drilling will be performed to explore thoroughly the area's potential.

In conclusion, your Directors wish to extend their appreciation for the faithful service of Mr. W. J. Cook, Mine Manager, staff and Haitian employees. Your Directors would also like to advise shareholders of the fine spirit of co-operation existing between Mine management and Haitian officials familiar with operations of the mine.

Submitted on behalf of the Board of Directors,

MURRAY COOPER,
President.

Toronto, Ontario,
May 25, 1964.

Consolidated Halliwell Limited

(No Personal Liability)

President and Directors,
CONSOLIDATED HALLIWELL LIMITED,
Suite 405 - 25 Adelaide Street West,
Toronto 1, Ontario.

Gentlemen:

The following is a report of the activities of your wholly-owned subsidiary, Sedren, S.A., on its concession in the Terre Neuve district of Haiti, during the year 1963.

GENERAL PRODUCTION

Internal improvements accomplished during the 1962 fiscal year continued to have an important impact on production results during 1963. By treating lesser tonnages of ore having a higher grade copper content the mine established a new record in poundages of copper recovered and a resultant sizeable increase in the dollar value received on sale of concentrates to overseas smelters.

During 1963 the concentrator handled a total of 280,515 tons of ore compared with 282,000 tons milled the previous fiscal year. Concentrates produced had an estimated net realizable value under sales contract of $3,232,994 compared with $2,844,947 in 1962.

Production during the year totalled 17,837 tons of concentrates averaging 36.37% copper. Concentrates contained 12,973,066 lbs. copper and an estimated 6,778 ozs. gold and 107,022 ozs. silver. By comparison, 1962 production totalled 17,000 tons of concentrates averaging 33.70% copper and containing 11,460,758 lbs. copper, 7,149 ozs. gold and 94,761 ozs. silver.

CONCENTRATE SHIPMENTS

There were nine shipments of concentrates made to overseas smelters during 1963 compared with seven in 1962. A total of 16,225 short dry tons was loaded compared to 17,537 short dry tons in 1962.

WATER SUPPLY

The Mapou-Chevalier Valley artesian well system, located some seven miles distant from the mine, together with the normal amount of precipitation, provided an adequate water supply for all mining, milling and domestic purposes.

UNDERGROUND DEVELOPMENT

Principal work the first six months or more was confined to installation of a new incline shaft from the main, or 1500 adit level, to the 1700 level, and the establishment of a sub-level, to permit mining the main ore bodies existing between the two horizons. Otherwise, development was confined to stope preparation and mining on and between the three mine working levels. Details of stoping, boxholing and tramming operations on the levels are tabulated within this report.

PERSONNEL

The number of employees utilized in various phases of mining, milling and general maintenance at the mine varied from time to time. On January 1, 1963, there were 513 Haitians and 25 Canadians employed. On January 1, 1964, the payroll consisted of 541 Haitians and 24 Canadians. Personnel relations continued on an extremely satisfactory basis throughout the year.

ORE RESERVES

Ore reserves in the Meme mine on January 1, 1964, were calculated by the Chief Geologist at 454,000 tons averaging 2.48% copper. This figure does not include lower grade ore bodies which could be mined economically at an increased tonnage rate which is being contemplated by Management.

I wish to take this opportunity to express my appreciation for the spirit of co-operation existing between the Haitian subsidiary and the Government of the Republic of Haiti as well as to staff and employees.

Respectfully submitted,

W. J. COOK,
Mine Manager.

Port-au-Prince, Haiti,
May 22, 1964.

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary
SEDREN, S.A.

CONSOLIDATED STATEMENT OF INCOME

Year ended December 31, 1963

Production of concentrates, at estimated net realizable value under sales contracts			3,232,994.43
OPERATING EXPENSES:			
Mine development		92,016.86	
Mining		274,592.42	
Milling		183,766.50	
Mine general expense		1,499,525.16	
Royalty		193,979.67	
Administrative expenses		120,662.09	2,364,542.70
			868,451.73
OTHER EXPENSES:			
Debenture interest		250,115.00	
Amortization of debenture discount		45,330.00	
Interest on mortgage		67,397.67	
Interest on bank loan		22,730.60	
Other interest and administrative expenses		90,501.93	
Directors' fees		4,192.50	
		480,267.70	
LESS:			
Dividends received, net of taxes withheld	13,912.48		
Profit on foreign exchange	43,511.08		
Other income	1,611.66	59,035.22	421,232.48
NET INCOME FOR YEAR (note 4)			$ 447,219.25

CONSOLIDATED STATEMENT OF DEFICIT

Year ended December 31, 1963

Deficit at beginning of year	627,447.54
Net income for year	447,219.25
DEFICIT AT END OF YEAR	$ 180,228.29

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary
SEDREN, S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

Year ended December 31, 1963

1. TRANSACTIONS IN U.S. CURRENCY:

The accounts of the subsidiary company in Haiti are maintained in U.S. dollars. Current assets and liabilities of the subsidiary have been translated into Canadian funds at the prevailing rate of exchange at the balance sheet date; all other assets and liabilities have been translated at par.

2. COPPER SALES CONTRACTS:

By agreement dated April 1, 1959, the company, together with its subsidiary, has contracted to deliver to Continental Copper & Steel Industries, Inc., 80,000,000 pounds of electrolytic copper in wire bars by June 30, 1964. To meet the requirement for delivery of copper in this form, the companies have contracted with Minerals & Chemicals Philipp Corporation, Philipp Brothers Division (Phibro) to deliver and sell to that company all copper concentrates produced from Sedren's Haitian property to June 30, 1964, and Phibro has agreed to sell to Continental electrolytic copper in wire bars in quantities equivalent to the copper content of concentrates delivered to it by Sedren, S.A. Up to December 31, 1963, concentrates having an estimated copper content of 33,635,000 pounds have been delivered or were available for delivery under these contracts.

The selling prices of concentrates delivered to Phibro are based on the copper content at average market price for the month following arrival of each shipment at port of destination. In accordance with the terms of the contract, Sedren grants to Continental a discount, which varies with market prices, on copper sold to Continental by Phibro, but in any event the selling price realized by Sedren shall not be less than 24¢ U.S. per pound.

Should the company fail to complete delivery of the 80,000,000 pounds of copper referred to above, Continental may at its option either terminate the agreement as to the undelivered portion or extend time to the company for making up the deficiency. Should the agreement be terminated the company would be obligated to pay to Continental liquidated damages, amounting to the discount to which Continental would have been entitled in respect to the undelivered portion of the contract. Based on the current quoted price of copper this discount would amount to 1¢ U.S. per pound.

3. PREFERRED STOCK OF CONTINENTAL COPPER & STEEL INDUSTRIES, INC.:

The 15,900 shares of 5%, $25 par value, preferred stock of Continental Copper & Steel Industries, Inc., represent the balance of 60,000 shares acquired in 1961 by the subsidiary in consideration for which it gave to Continental its mortgage obligation of $1,500,000.00 on all its real and immovable property in

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary
SEDREN, S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (continued)

Year ended December 31, 1963

Haiti, including the mining concession. The mortgage bears interest at 6% per annum and the balance thereof is payable in four annual instalments of $250,000.00 U.S. from June 29, 1964 to 1967.

4. AMORTIZATION AND DEPRECIATION POLICY:

Amortization of deferred exploration, development and administrative expenses and depreciation of fixed assets has not been provided for in the financial statement as it is the policy of the company not to commence such write-offs until expiration of the first three years of commercial operations, during which it is exempt from Haitian income tax. The amounts which would otherwise have been provided for the years ended December 31, 1962 and 1963, based on proven ore reserves are as follows:

	1962	1963
Amortization of deferred exploration, development and administrative expenses	1,314,291.97	1,316,198.66
Depreciation of fixed assets	1,280,727.34	1,308,786.20
	$ 2,595,019.31	$ 2,624,984.86

Formal write-offs are expected to commence in 1964, when the three year tax exempt period will expire.

5. ROYALTIES:

By agreement dated April 29, 1955, the Government of the Republic of Haiti granted to Sedren the right to exploit for a period of twenty-five years, renewable under certain conditions for an additional twenty-five years, certain copper-bearing properties located in the Terre Neuve area of Haiti. The agreement provides for the payment of a royalty to the Government of 6% of net smelter returns, and of an annual tax which in 1963 amounted to $22,500.00.

6. SINKING FUND DEBENTURES:

Under the terms of a supplemental trust indenture dated June 1, 1961 the company is required to set aside 75% of the annual net profits, as defined in the trust indenture, from the mining operations of the Haitian subsidiary, for retirement of the debentures, after providing $500,000.00 as a working capital fund for the subsidiary.

Funds from the subsidiary's mining operations will be available to the company for retirement of debentures and other purposes only so long as payments made on the mortgage at least equal the aggregate

NOTES *(continued)*

payments by the subsidiary to the company, provided further that the subsidiary's working capital plus 50% of the then current market value of the Continental preferred shares which it holds shall, after making any such payments, be not less than $500,000.00.

The supplemental trust indenture provides that debentures in the aggregate principal amount of $816,500.00 registered in the name of National Outlook Corporation have preference over all other debentures as to payment of principal and as to security therefor.

The debenture holders have agreed

(a) to accept shares of Consolidated Halliwell valued at 40¢ per share in settlement of the debenture interest due June 1, 1963, December 1, 1963 and June 1, 1964.

(b) to subordinate their rights and interests under the principal indenture to the bankers of Sedren, S.A. to enable that company to borrow up to $500,000.00 repayable on or before June 30, 1964.

7. CONTINGENT LIABILITIES:

The subsidiary company was, as at December 31, 1963, contingently liable for severance allowances which under Haitian law are payable to any employee discharged after three months or more of service. No provision has been made by the company for possible severance payments. The company follows the policy of meeting these obligations as they materialize, and charging such payments to expense when made.

An attorney has filed a claim against the company in the sum of $39,000.00 for services allegedly rendered. The company has accrued $5,000.00 in respect of this contingent liability.

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary
SEDREN, S.A.

CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES

Year ended December 31, 1963
(Note 4)

Balance at beginning of year	4,736,187.29
Exploration expenses incurred during year	41,785.44
BALANCE AT END OF YEAR	$ 4,777,972.73

PLAINTIFFS' EX. 7 IN EVID.

PLE EXHIBIT 146
MARKED FOR IDENTIFICATION
ROBERT
6/22/73

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1962

7

Consolidated Halliwell Limited

(No Personal Liability)

Consolidated Halliwell Limited

(No Personal Liability)

To the Shareholders
CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Your Directors present herewith the Annual Report of your Company, consisting of the following:

1. Report dated April 15, 1963, covering the activities of your Company's wholly-owned Haitian subsidiary, Sedren, S.A., for the fiscal year ended December 31, 1962, by W. J. Cook, Mine Manager.
2. Consolidated Financial Statement of the Company and its wholly-owned subsidiary for the year ended December 31, 1962, with Auditors' Report thereon dated May 21, 1963.

The Mine Manager's remarks, embodied in this Annual Report, cover in considerable detail your subsidiary Company's operation in the Republic of Haiti during 1962. Substantially higher revenue from production and sale of concentrates, the disposal of a portion of holdings in Continental Copper & Steel Industries 5% First Preferred stock, permitted a reduction in indebtedness by $1,267,000 during the year.

Directors are pleased to point out your Company realized an operating profit of $744,225.46 on total production revenue of $2,844,947.47 in 1962 which compared with an operating profit of $118,556.55 on production of $1,919,842.76 in 1961.

Since the turn of the year your Directors allocated $250,000 to conduct an extensive development program and to broaden outside exploration in search of new ore. Both these important projects are well underway. After completing a 500 ft. long adit at the Casseus property, a diamond drilling program was started and two holes completed gave 1.03% copper across 327 ft. and 0.83% copper over a width of 385 ft. More drilling information will have to be obtained in order to assess properly these significant results.

Recent underground diamond drilling to probe for the extension of the ore on the lower levels of the main Meme mine has given encouraging indications and management believes that a substantial enlargement of this ore body will be outlined with further work. Surface drilling is also in progress to explore for lateral extensions of this main ore zone to the north and east.

An important underground project in progress in mid-May 1963, was the installation of an incline shaft for the establishment of a sub-level to facilitate the mining of the main ore bodies existing between the 1500 and 1700 ft. levels. This should be completed and in operation by August 1963.

In the near future it is also planned to initiate a program of outside exploration to investigate other portions of the subsidiary's extensive acreage holdings in the Republic. It is known that other areas exist which are worthy of detailed examination and a prospecting crew will be put out in the field for this purpose.

In conclusion, your Directors wish to extend their appreciation for the faithful service of Mr. W. J. Cook, Mine Manager, staff and Haitian employees. Your Directors would also like to advise shareholders of the fine spirit of co-operation existing between Mine management and Haitian officials familiar with operations at the mine.

Submitted on behalf of the Board of Directors,

MURRAY COOPER,
President.

Toronto, Ontario
May 15, 1963

Consolidated Halliwell Limited

(No Personal Liability)

President and Directors,
CONSOLIDATED HALLIWELL LIMITED,
Suite 405 - 25 Adelaide Street West,
Toronto 1, Ontario.

Gentlemen:

The following is a report of the activities of your wholly-owned subsidiary, Sedren, S.A., on its concession in the Terre Neuve district of Haiti, during the year 1962.

GENERAL PRODUCTION

Modifications and improvements accomplished in 1961 permitted your Company to realize a considerable betterment in tons of ore milled, concentrates produced and poundage of copper recovered during 1962.

During the year the concentrator handled a total of 282,000 tons of ore compared with 182,043 tons milled in the previous fiscal year. Concentrates produced had an estimated net realizable value under sales contracts of $2,844,947 compared with a value of $1,919,843 in 1961.

Production in the year totalled 17,000 tons of concentrates averaging 33.70% copper. Concentrates contained 11,460,758 lbs. copper and an estimated 7,149 ozs. gold and 94,761 ozs. silver. By comparison, 1961 production totalled 11,748 tons of concentrates averaging 32.61% copper and containing 7,662,684 lbs. copper, 4,341 ozs. gold and 61,424 ozs. silver.

CONCENTRATE SHIPMENTS

There were seven shipments of concentrate made to overseas smelters during 1962 compared with five in 1961. A total of 17,537 short dry tons were loaded against 13,526 short dry tons in 1961.

WATER SUPPLY

Adequate water supply for mining, milling and domestic purposes are supplied by normal rainfall and from the Mapou-Chevalier Valley artesian well, some seven miles distant from the mining camp.

UNDERGROUND DEVELOPMENT

Development work throughout 1962 was directed principally towards the 1,300 and 1,500 adit levels and on the 1,700 level from the internal shaft. Details of stoping and tramming operations are tabulated within this report.

Broken Ore Reserves

Stope	Tons Ore	% Cu
13-20B	800	2.8
13-26N	3,000	2.2
13-26S	.....	....
13-35	400	1.4
15-16	18,000	1.6
17-24	300	2.8
17-25	40,000	2.2
17-27	20,000	2.4
	82,500	2.12

PERSONNEL

The number of employees varied from time to time during 1962. On January 1, 1962, there were 350 Haitians and 20 Canadians employed. This figure later increased to an average of 462 men. On January 1, 1963, payroll increased to 513 Haitians and 25 Canadians. Personal relations continued extremely satisfactory throughout the year.

ORE RESERVES

Underground development during 1962 replaced 141,000 tons of the 282,000 tonnage drawn from the mine during the year.

Ore reserves in the Meme mine on January 1, 1963, were calculated as follows:

Tons Ore Reserves in Place

	D.I. & R.A. *	Probable	Total	Broken in Stopes	Total	Grade
Above 11 Level	7,471	76,321	83,792	800	84,592	1.91
11 to 13 Level	324,738	1,789	326,527	3,400	329,927	2.20
13 to 15 Level	64,690	21,653	86,343	18,000	104,343	2.06
15 to 17 Level	203,060	33,553	236,613	60,300	296,913	2.48
Total Jan. 1, 1963	599,959	133,316	733,275	82,500	815,775	2.25
Total Jan. 1, 1962	.....	.....	862,618	94,226	956,844	2.66
Net change	.....	.....	—129,343	—11,726	—141,069	.....

* Drill Indicated and Reasonably Assured Ore.

The writer wishes to pay tribute to the spirit of co-operation existing between the Haitian subsidiary and the Government of the Republic as well as to staff and employees.

Respectfully submitted,

W. J. COOK,
Mine Manager.

Port-au-Prince, Haiti,
April 15, 1963.

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary

SEDREN, S.A.

CONSOLIDATED STATEMENT OF INCOME

Year ended December 31, 1962

Production of concentrates, at estimated net realizable value under sales contract			2,844,947.47
OPERATING EXPENSES:			
Mine development		91,752.37	
Mining		187,512.29	
Milling		178,210.87	
Mine general expense		1,353,754.94	
Royalty		164,552.64	
Administrative expenses		124,938.90	2,100,722.01
			744,225.46
OTHER EXPENSES:			
Debenture interest		251,680.00	
Amortization of debenture discount		45,330.00	
Interest on mortgage		82,397.25	
Interest on bank loan		44,698.46	
Other interest and expense		80,208.84	
Directors' fees		4,347.50	
		508,662.05	
LESS:			
Dividends received, net of taxes withheld	52,500.00		
Profit on foreign exchange	46,414.54	98,914.54	409,747.51
NET INCOME FOR YEAR (note 4)			$ 334,477.95

CONSOLIDATED STATEMENT OF DEFICIT

Year ended December 31, 1962

Deficit at beginning of year		169,466.85
ADD:		
Deferred exploration, development and administrative expenses incurred in connection with properties abandoned in prior years	437,315.76	
Loss on sale of investments	355,142.88	792,458.64
		961,925.49
DEDUCT Net income for year		334,477.95
DEFICIT AT END OF YEAR		$627,447.54

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary

SEDREN, S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

Year ended December 31, 1962

1. The accounts of the subsidiary company in Haiti are maintained in U.S. dollars. Current assets and liabilities of the subsidiary have been translated into Canadian funds at the prevailing rate of exchange at the balance sheet date; all other assets and liabilities have been translated at par.

2. By agreement dated April 1, 1959, the company, together with its subsidiary, has contracted to deliver to Continental Copper & Steel Industries, Inc., 80,000,000 pounds of electrolytic copper in wire bars by June 30, 1964. To meet the requirement for delivery of copper in this form, the companies have contracted with Minerals & Chemicals Philipp Corporation, Philipp Brothers Division (Phibro) to deliver and sell to that company all copper concentrates produced from Sedren's Haitian property to June 30, 1964, and Phibro has agreed to sell to Continental electrolytic copper in wire bars in quantities equivalent to the copper content of concentrates delivered to it by Sedren, S.A. Up to December 31, 1962, concentrates having an estimated copper content of 21,180,000 pounds had been delivered or were available for delivery under these contracts.

The selling prices of concentrates delivered to Phibro are based on the copper content at average market price for the month following arrival of each shipment at port of destination. In accordance with the terms of the contract, Sedren grants to Continental a discount, which varies with market prices, on copper sold to Continental by Phibro, but in any event the selling price realized by Sedren shall not be less than 24¢ U.S. per pound.

3. On July 31, 1961 the subsidiary company acquired 60,000 shares of the 5%, $25 par value, preferred stock of Continental Copper & Steel Industries, Inc., in consideration for which it gave to Continental its mortgage obligation of $1,500,000 on all its real and immovable property in Haiti, including the mining concession. The mortgage bears interest at 6% per annum and the balance thereof is payable in five annual instalments of $250,000 from June 29, 1963 to 1967.

On December 27, 1962 the company sold 44,100 shares of the Continental preferred stock for $749,700.

4. Amortization of deferred exploration, development and administrative expenses and depreciation of fixed assets has not been provided for in the financial statement as it is the policy of the company not to commence such write-offs until expiration of the first three years of commercial operations, during which it is exempt from Haitian income tax. The amounts which would otherwise have been provided for the

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary

SEDREN, S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (continued)

Year ended December 31, 1962

year ended December 31, 1962, based on proven and reasonably indicated potential ore reserves, are as follows:

Amortization of deferred exploration, development and administrative expenses	592,023.41
Depreciation of fixed assets	576,904.21
	$ 1,168,927.62

Formal write-offs are expected to commence in 1964, when the three year tax exempt period will expire.

5. By agreement dated April 29, 1955, the Government of the Republic of Haiti granted to Sedren the right to exploit for a period of twenty-five years, renewable under certain conditions for an additional twenty-five years, certain copper-bearing properties located in the Terre Neuve area of Haiti. The agreement provides for the payment of a royalty to the Government of 6% of net smelter returns, and of an annual tax which in 1962 amounted to $22,500.

6. Under the terms of a supplemental trust indenture dated June 1, 1961 the company is required to set aside 75% of the annual net profits, as defined in the trust indenture, from the mining operations of the Haitian subsidiary, for retirement of the debentures, after providing $500,000 as a working capital fund for the subsidiary.

Funds from the subsidiary's mining operations will be available to the company for retirement of debentures and other purposes only so long as payments made on the mortgage at least equal the aggregate payments by the subsidiary to the company, provided further that the subsidiary's working capital plus 50% of the then current market value of the Continental preferred shares which it holds shall, after making any such payments, be not less than $500,000.

The supplemental trust indenture provides that debentures in the aggregate principal amount of $1,085,500 registered in the name of National Outlook Corporation have preference over all other debentures as to payment of principal and as to security therefor.

7. The subsidiary company was, as at December 31, 1962, contingently liable for severance allowances which under Haitian law are payable to any employee discharged after three months or more of service. No provision has been made by the company for possible severance payments. The company follows the policy of meeting these obligations as they materialize, and charging such payments to expense when made.

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary

SEDREN, S.A.

CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES

Year ended December 31, 1962

(Note 4)

Balance at beginning of year		5,118,781.12
ADD Exploration expenses incurred during year		54,721.93
		5,173,503.05
DEDUCT Expenses incurred in connection with properties abandoned in prior years, written off to deficit		437,315.76
BALANCE AT END OF YEAR		$ 4,736,187.29

PLE EX. (B) 147
MARKED FOR IDENTIFICATION
ROBERT

PLAINTIFFS' EX. 8 6/22/73
IN EVID.

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1961

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8

Consolidated Halliwell Limited

(No Personal Liability)

Consolidated Halliwell Limited

(No Personal Liability)

To the Shareholders,

CONSOLIDATED HALLIWELL LIMITED,
(No Personal Liability)

Your Directors present herewith the Annual Report of your Company, consisting of the following:

1. Report dated April 17, 1962, covering the activities of your Company's wholly owned Haitian subsidiary, Sedren, S.A., for the fiscal year ended December 31, 1961, by E. W. Isaac, Mine Manager.

2. Consolidated Financial Statement of the Company and its wholly owned subsidiary for the year ended December 31, 1961, with Auditors' Report thereon dated April 19, 1962.

Overcoming of the final major obstacle at the turn of the year leads Management now to the belief your wholly owned Haitian subsidiary has an open road to a long and profitable operation.

Completion of a seven-mile pipeline, from the Mapou-Chevalier Valley watershed to the mine in mid-December, together with normal precipitation adequately provides for future water requirements of the mine and mill. This is now permitting operations to proceed towards more realistic proportions of installed capacity.

Unquestionably the year 1961 was fraught with problems associated with inadequate water supply and lack of sufficient working places in the mine to provide constant flow of ore for milling requirements.

Modifications and introduction of new technical procedures by Continental Copper & Steel Industries, Inc., following that organization taking over management control in August, 1961, gradually whittled away at problems and they became resolved.

Acceleration of mine development and steady improvement in the water problem permitted constant gains in daily mill rate. By year end rate approached 1,000 tons daily and target is now 1,500 tons daily, or full capacity of concentrating facilities.

The following tabulation illustrates the gradual and significant improvement in tons of ore milled monthly, beginning under new management in August 1961:

MONTH	TONS MILLED	VALUE OF PRODUCTION
September, 1961	15,437	187,000.
October, 1961	20,874	224,136.
November, 1961	20,033	221,175.
December, 1961	20,036	208,440.
January, 1962	21,176	212,215.
February, 1962	24,005	311,755.

As outlined in the report of Mr. E. W. Isaac, Mine Manager of the Haitian subsidiary, the net realizable value of concentrates produced in 1961 totalled $1,919,842.76 from 182,043 tons of ore milled. The 11,748 tons of concentrates, averaging 32.61% copper, contained 7,662,684 lbs. copper, 4,341 ozs. gold and 61,424 ozs. silver.

Shipments of copper concentrate, which were sporadic in 1961, are now being made steadily. Shipments made and planned for the first half of 1962 will equal all those made in 1961.

Less than 3% of the concession area has been developed and is being mined. As the mine is now operating profitably, attention is being directed towards underground and surface exploration as a measure of adding to ore reserves. In this regard one section of an underground drive to the north has opened a length of excellent new ore. Assays from this ore ran as high as 10% copper along with the usual amounts of gold and silver. An interesting possibility in the location of important tonnages of new ore lies in this drive to the north, in view of original surface drilling having indicated tonnage potential in the area, known as Casseus, about 9,000 ft. distant. Roads were built and a new working crew established at the camp in the spring of this year. An adit will be driven into the side of the mountain headed towards the present workings.

The year behind us was one of accomplishment. The foundation for further continued growth has been firmly established. Underground exploration work has indicated that prospects are most encouraging for sizeable additions to our present ore reserves. Promising areas of our virgin 100 square mile concession, with good surface showings, are now being explored. The increasing skills of the Haitian miners, under the careful direction of the Canadian supervisory staff, are making for increased mining efficiency. Milling operations with an assured water supply are performing fully in accordance with expectations. Shipments of concentrate from the Company's dock and harbor are now being made at regular and frequent intervals. The Company's debts are now being steadily reduced.

The prospects have never been brighter for your Company.

In conclusion your Directors wish to express their appreciation of the faithful service of Mr. E. W. Isaac, Mine Manager, staff and Haitian employees at the mine.

Submitted on behalf of the Board of Directors.

WILLIAM PLEXMAN,
Persident.

Toronto, Ontario,
May 4, 1962.

Consolidated Halliwell Limited

(No Personal Liability)

President and Directors,

CONSOLIDATED HALLIWELL LIMITED,
Suite 405 - 25 Adelaide Street West,
Toronto 1, Ontario.

Gentlemen:

The following is a report of the activities of Sedren, S.A., on its concession area in the Terre Nevue district of Haiti, during the year 1961.

GENERAL PRODUCTION

The year 1961 commenced under a handicap of limited water for treatment of ore, and a lack of sufficient production stopes to meet the daily capacity of the 1,500-ton concentrator. These obstacles were gradually eliminated even though they proved a restrictive influence on the year's production and source of income.

By confining milling operations to the capabilities of water supply and ore tonnages available, underground development was advanced materially over the months. By year end Management had implemented plans and procedures to the point where adequate water supply and working places in the mine resulted in a well balanced and profitable operation.

In 1961 the 1,500-ton daily capacity plant treated a total of 182,043 tons of ore with resultant concentrates produced having an estimated net realizable value under sales contracts of $1,919,842.76.

Production in the year totalled 11,748 tons of concentrates averaging 32.61% copper. Concentrates contained 7,662,684 lbs. copper, 4,341 ozs. gold and 61,424 ozs. silver.

CONCENTRATE SHIPMENTS

There were five shipments of concentrate during the year. A total of 13,526 short dry tons were loaded. These figures are not final as the figures obtained from the Smelter are accepted as the only official figures from the point of view of the Concession Contract, and the final returns have not yet been received.

WATER SUPPLY

Extensive research and investigation of precipitation conditions in the Republic of Haiti had indicated milling and mining operations could be sustained from rainfall. However, a combination of rainfall, the installation of culverts, catchbasins, diversion dam and canal, to divert water to the reservoir, proved inadequate to provide supply requirements. Emergency measures resulted in tapping the Mapou-Chevalier Valley artesian well, some seven miles away which resulted in the establishment of an adequate water supply by mid-December. Provision of pumping facilities and pipeline together with labor, etc., cost $98,884.

UNDERGROUND DEVELOPMENT

Development work throughout the year was directed towards the 1,100, the 1,300, the 1,500 and 1,700 levels and consisted of driving drifts, sub-drifts, crosscuts, raises, box-holing and slashing both ore and waste to bring various working places to accelerated production requirements.

A tabulated summary of the development footage advances for 1961 is as follows:

Drift	Sub-Drifts	X-cuts	Raises	Box-holes	Tons Slash Ore	Tons Slash Waste
869.5	70	1,267	1,848	1,188	4,486	4,481

STOPING SUMMARY

The following tabulation indicates the source of ore and tonnages broken underground in 1961, together with tonnages of ore and waste trammed from working places and tonnages broken remaining in stopes at year end,

Stope	Tons Broken	Grade % Cu.	Tons Trammed Ore	Grade % Cu.	Tons Trammed Waste	Broken Ore Reserve Tons	Broken Ore Reserve % Cu.
1318	2,868	4.59	2,881	4.57		150	0.16
1320-A	3,747	3.08	2,963	2.89	262	522	3.96
1322	35,772	2.14	34,722	2.03	—	13,969	2.02
1337-N	45,504	4.88	23,428	4.49	102	22,285	4.95
1335	1,520	1.36	1,520	1.07	—	—	—
1510	9,790	3.49	18,068	2.60	—	2,222	2.59
1510-S	304	0.75	178	0.75	—	126	0.75
1510-N	13,264	3.86	13,008	3.43	—	256	5.10
1516	51,691	2.22	24,850	1.92	—	27,542	2.27
1519	43,433	1.96	44,171	1.61	—	8,161	1.78
1725	10,453	1.30	2,624	1.82	1,374	5,570	1.54
1727	29,130	3.34	15,869	2.81	675	11,824	3.26
Total	247,476	2.92	184,282	2.49	2,413	92,627	2.91

PERSONNEL

The number of employees varied considerably during 1961 and, in part, reflected Management's steps to create a balanced operation following the long and arduous construction-mill building program. The number of Haitian employees dropped from a high of 647 to a low of 285 and rose again to 350 in January, 1962. Canadian employees dropped from a high of 59 to 20 in January, 1962.

Personnel relations improved considerably during the year with the only serious labor problem occurring over a misunderstanding of the miners' incentive bonus for two days in February.

CONSTRUCTION

The major effort on construction in 1961 was directed towards the diversion dam, canal and the seven-mile pipeline detailed previously. Otherwise building was confined to completion of one, two-deck block of sleeping quarters for single status Canadian personnel in April.

ORE RESERVES

During 1961 the ore reserve picture changed considerably. Experience gained from actual mining operations and diamond drilling carried out from underground indicated the ore occurred in discontinuous pods rather than in the larger continuous ore bodies suggested by earlier surface drilling. This resulted in a complete revision of assured ore estimates to 956,934 tons of 2.66% copper.

Respectfully submitted,

E. W. ISAAC,
Mine Manager.

Port-au-Prince, Haiti,
April 17, 1962.

Consolidated Halliwell Limited

(No Personal Liability)

AND ITS WHOLLY OWNED SUBSIDIARY
SEDREN, S.A.

CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES

Year ended December 31, 1961

(Note 1)

Balance at beginning of year			4,702,306.33
Production of concentrates, at estimated net realizable value under sales contracts (note 2)		1,919,842.76	
Less:			
Operating expenditures:			
Mine development	364,697.47		
Mining	321,556.16		
Milling	317,915.07		
Mine general expense	566,124.61		
Royalty (note 5)	121,538.86		
Administrative expenses	109,454.04	1,801,286.21	
		118,556.55	
Financing expenses:			
Debenture interest	225,669.58		
Legal and other expenses in connection with bank loan	33,555.75		
Interest on bank loan	30,208.29		
Interest on mortgage	37,726.03		
Other interest and expense	28,571.69		
	355,731.34		
Less Dividends received, net of taxes withheld	17,500.00	338,231.34	
		219,674.79	
Other charges:			
Consideration for termination of sales agency and management agreements (note 9)	192,000.00		
Directors' fees	4,800.00	196,800.00	416,474.79
Balance at end of year			$ 5,118,781.12

Consolidated Halliwell Limited

(No Personal Liability)

AND ITS WHOLLY OWNED SUBSIDIARY

SEDREN, S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

Year ended December 31, 1961

1. The accounts of the subsidiary company in Haiti are maintained in U.S. dollars and have been converted in the accompanying statements at par.

2. By agreement dated April 1, 1959, the company, together with its subsidiary, has contracted to deliver to Continental Copper & Steel Industries, Inc., 80,000,000 pounds of electrolytic copper in wire bars by June 30, 1964. To meet the requirement for delivery of copper in this form, the companies have contracted with Minerals & Chemicals Philipp Corporation, Philipp Brothers Division (Phibro) to deliver and sell to that company all copper concentrates produced from Sedren's Haitian property to June 30, 1964, and Phibro has agreed to sell to Continental electrolytic copper in wire bars in quantities equivalent to the copper content of concentrates delivered to it by Sedren, S.A. Up to December 31, 1961, concentrates having an estimated copper content of 10,050,000 pounds had been delivered or were available for delivery under these contracts.

The selling prices of concentrates delivered to Phibro are based on the copper content at average market price for the month following arrival of each shipment at port of destination. In accordance with the terms of the contract, Sedren grants to Continental a discount, which varies with market prices, on copper sold to Continental by Phibro, but in any event the selling price realized by Sedren shall not be less than 24¢ U.S. per pound.

3. On July 31, 1961, the subsidiary company acquired 60,000 shares of the 5%, $25 par value, preferred stock of Continental Copper & Steel Industries, Inc., in consideration for which it gave to Continental its mortgage obligation of $1,500,000 on all its real and immovable property in Haiti, including the mining concession. On the same day the subsidiary entered into an agreement with a group of U.S. banks under the terms of which it received a loan of $1,100,000 for which it pledged as collateral the 60,000 shares of Continental preferred stock. The quoted market value of these shares as at December 31, 1961 was $1,140,000.

The bank loan bears interest at 6% per annum and a service charge of ½ of 1% per annum and is payable in monthly instalments of $50,000 beginning December 1, 1961, and until June 1, 1963, when the unpaid balance will become due. In addition, all dividends received on the Continental preferred stock, less applicable withholding taxes, are to be retained by the banks and applied to reduce the final payment of the loan. The loan agreement also requires, among other things, that if the market value of the Continental preferred stock pledged as collateral should at any time fall below 102% of the outstanding balance of the loan, then Sedren will be required to make a payment on the loan or to furnish additional collateral, sufficient, in either case, to restore the 102% ratio of the collateral value to the loan balance. The loan agreement also limits capital expenditures to $250,000 in any fiscal year and prohibits the payment of dividends or distributions on capital stock or the acquisiton thereof.

The mortgage bears interest at 6% per annum and is payable in six annual instalments of $250,000 beginning June 29, 1962. By agreement with the mortgagee this mortgage has been subordinated to the bank loan. Payments may be made on the mortgage as long as the total of such payments does not exceed the total paid on the bank loan and provided that working capital of the subsidiary company plus 50% of the then current market value of the Continental preferred stock held by it shall, after making any payment, be not less than $500,000.

4. The company considers that it did not attain production in reasonable commercial quantities during 1961, and therefore has not provided for depreciation of fixed assets or for amortization of deferred exploration, development and administrative expenses incurred prior to and during 1961. The net selling value of concentrates produced in 1961 has been credited against these deferred expenses, and the company has not recognized a profit or loss on its operations to December 31, 1961. It is the company's intention to commence providing for depreciation and amortization at such time as, in its opinion, production in reasonable commercial quantities is attained. Such depreciation and amortization will be computed on the basis of estimated ore reserves, regarding which the company presently does not have full information.

Consolidated Halliwell Limited

(No Personal Liability)

AND ITS WHOLLY OWNED SUBSIDIARY

SEDREN, S.A.

NOTES to CONSOLIDATED FINANCIAL STATEMENT (Continued)

Year ended December 31, 1961

5. By agreement dated April 29, 1955, the Government of the Republic of Haiti granted to Sedren the right to exploit for a period of twenty-five years, renewable under certain conditions for an additional twenty-five years, certain copper-bearing properties located in the Terre Neuve area of Haiti. The agreement provides for the payment of a royalty to the Government of 6% of net smelter returns and of an annual tax, which in 1961 amounted to $22,500.

6. By agreement dated August 3, 1961, the company paid $300,000 U.S. in reduction of the balance due on the construction of the subsidiary's concentrating plant, which was applied thereto as $300,000 Canadian, and delivered to the creditor twelve promissory notes for the balance owing of $748,098 Canadian, consisting of eleven notes of $66,000 each, and one note of $22,098. One of the said notes was paid prior to December 31, 1961, and the remaining notes mature monthly during 1962. The performance of the company under the terms of this agreement has been guaranteed by Consolidated Mogul Mines Limited.

7. By supplemental trust indenture dated June 1, 1961, the interest rate of the company's 5½% sinking fund debentures was increased to 6½% per annum, and the maturity date thereof advanced from May 31, 1963 to May 31, 1965.

During the term of the bank loan (see note 3) the company is not required to establish a sinking fund for the benefit of the debenture holders, but upon repayment in full of the said loan, is required to set aside 75% of the annual net profits, as defined in the trust indenture, from the mining operations of the Haitian subsidiary, for retirement of the debentures, after providing $500,000 as a working capital fund for the subsidiary.

Funds from the subsidiary's mining operations will be available to the company for retirement of debentures and other purposes only so long as payments made on the notes payable to banks and on the mortgage at least equal the aggregate payments by the subsidiary to the company, provided further that the subsidiary's working capital plus 50% of the then current market value of the Continental preferred shares which it holds shall, after making any such payments, be not less than $500,000.

Subsequent to December 31, 1961, Sedren has, with the consent of Continental Copper & Steel Industries, Inc., made payments to Consolidated Halliwell Limited aggregating $192,027 U.S., to allow the company to make payment of notes falling due monthly as referred to in note 6. No payment on the mortgage had been made to the dates of these payments.

The supplemental trust indenture further provided that debentures in the aggregate principal amount of $1,085,500 registered in the name of National Outlook Corporation have preference over all other debentures as to payment of principal and as to security therefor.

The provisions of the aforesaid supplemental indenture dated June 1, 1961, replace the financial arrangements relating to the sinking fund debentures which were authorized by the directors of the company earlier in 1961, and which were set forth in note 5 to the consolidated financial statement for the year ended December 31, 1960.

8. By Supplementary Letters Patent dated June 20, 1961, the company's authorized capital was increased from $10,000,000 to $12,000,000 by the creation of 2,000,000 additional shares of $1.00 par value.

9. By agreement dated May 26, 1961, the company's sales agency and management agreements with Consolidated Mogul Mines Limited were terminated in consideration of the issue to Consolidated Mogul of $200,000 principal amount of the company's 6½% sinking fund debentures valued at $96 for each $100 principal amount thereof.

10. The subsidiary company was, as at December 31, 1961, contingently liable in the following respects:

(a) Under Haitian law, a severance allowance is payable to any employee discharged after three months or more of service. No provision has been made by the company for possible severance payments. The company follows the policy of meeting these obligations as they materialize, and charging such payments to expense when made.

(b) On December 29, 1961, the company discounted a draft in the amount of $200,000, which draft has since been paid.

PLAINTIFFS' EX. 9 IN EVID.

PLF EX. 153 MARKED FOR IDENTIFICATION 6/22/73

132A

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Consolidated Halliwell Limited

(No Personal Liability)

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31

1967

133A

Consolidated Halliwell Limited

(No Personal Liability)

Suite 714, 62 Richmond Street West
Toronto 1, Ontario

TO THE SHAREHOLDERS,

Presented herewith is the Annual Report of your Company for the fiscal year ended December 31, 1967.

Accompanying this report are the Notice of Annual and Special General Meeting of Shareholders and the statutory Information Circular which, among other things, includes data pertinent to a proposed rearrangement in the Company's capital structure which shareholders will be asked to consider at the forthcoming meeting.

This capital realignment embraces a number of features which, your directors feel, will be most beneficial to future Company operations. The main item involves the agreement by holders of the outstanding 6½% sinking fund debentures maturing May 31, 1970, to cancel the entire obligation of $3,577,920 (including accrued interest) outstanding at March 31, 1968, in exchange for 1,574,285 shares of your Company's capital stock. The wiping out of this sizeable debt automatically relieves the Company of all servicing obligations thereon.

Another important item is an arrangement for cancellation of an agreement originating with your Company's 1959 senior financing and involving the sale of copper production on a fixed formula and at a marketing discount. The advantage will be that your Company may then fully benefit from world market prices, which in recent years have been at premium levels.

Further, certain other debts and obligations are either eliminated or consolidated for orderly retirement, as fully explained in the notes to the financial statement and also in the statutory Information Circular.

Shareholders will note with interest that a new guaranteed bank loan of US $300,000 will be made available to the Company. This additional working capital coupled with the elimination and retirement of the debt already mentioned will give the Company much greater financial strength and provide for operational benefits over both the near and longer term.

Authorized Capital

To give effect to the proposals being submitted for shareholders' approval, it will necessitate issuance of 2,083,385 shares of capital stock from your Company's treasury. Since the present capital structure of your Company is not adequate for the purposes outlined, your directors are proposing that the authorized capital be increased from $12,000,000 to $17,000,000 to which shareholders will be asked to give their approval.

Operating Results

A combination of operating circumstances led to a marked decline in production value which, at $1,770,250 was off from $2,798,355 the year previous. As a result of this, an operating loss of $211,903 was incurred. After depreciation of $404,868 and amortization of deferred charges of $581,270 a net loss of $1,669,291 was recorded for the year. This compares with an operating profit of $476,883 in 1966, when net loss was $1,169,076 after depreciation of $558,805 and amortization of deferred charges of $679,243.

The lower production was basically attributable to a decline in ore available from the West-Mine area. This in turn placed greater ore demands on the new East-Mine section, leading to a higher volume of low grade development rock going to the concentrator. Too, increased development requirements underground created a greater need for electric power for mine operations, and limited the power available for milling.

Efforts to restrict and reduce operating costs were effective as evidenced by the reduction of some $340,000 from total operating expenses in 1966. However, the benefits were minimized in the main by two factors — inflationary forces which are showing up in all industries, and the resistance met by mine management in its attempts to lower payroll expenditures which comprised over 60 per cent of total operating costs.

Ore Reserves

As at year's end, 1967, ore reserves were estimated at 351,428 tons averaging 1.54% copper. This represents a slight gain in tonnage from 331,617 tons at the end of 1966, when grade was reported at 1.58%. The lower grade reflects inclusion of reserves of certain sections of low grade material in the original West-Mine section, while the increase in reserves largely represented new ore confirmed in the East-Mine area now under intensive development.

Management would like to point out the mine's ability through its operating history to respond to exploration and development work. While reserves in recent years have not been large, the mine has been able year by year to provide sufficient new ore at a rate generally replacing and sometimes exceeding production. Thus your management is confident the overall program laid out for 1968, emphasizing development in the area to be serviced by the new No. 3 inclined shaft, supports every reasonable expectation for success.

Mine Performance

Production for 1967 totalled 4,752,475 pounds copper in concentrate form from the processing of 183,744 short dry tons of ore averaging 1.41% in grade. Recovery at 91.59% remained quite satisfactory, but tons milled and total copper production were down from the previous year's output of 6,129,464 pounds copper from 218,747 tons milled.

Your management has set an immediate objective of restoring higher operating levels. Efforts are being made to bring the monthly mill run up to 15,000 tons, as opposed to a recent average of about 12,000 tons. To achieve this will initially require drawing the remaining lower grade ore available in the West-Mine area to augment ore supplies from sections lying between the 1,500 and 1,700 levels in the new East-Mine area. On a longer-range basis, future ore supplies will be dependent upon the proposed development of two new levels, the 1,800 and 1,900, in the new East-Mine section.

A systematic program to open these new levels has been laid out and will be instituted as early as the additional working capital previously referred to becomes available. The program should take from five to six months time and involves approximately 1,500 feet of drifting plus another 500 feet of development work in the form of ore passes, raises, box holes and drilling stations. The cost is estimated at a minimum of $100,000. Preliminary underground drilling to explore the area involved has confirmed a good ore potential.

With the projected increase in tonnage milled, plus the benefits anticipated from the new copper sales arrangements, it is expected operating results will show definite improvement.

General

It is with deep regret your directors report the passing of Mr. Harry Harris on August 22, 1967. Mr. Harris was a former director and Chairman of the Board for a number of years.

Timely request has been made to the Internal Revenue Service of the U.S. Treasury Department for a ruling exempting the acquisition of the Company's shares from the Interest Equalization Tax up to March 31, 1969. The granting of this ruling is expected after routine processing by the Internal Revenue Service.

It is appropriate to record on behalf of your Board the conscientious services rendered by Mr. T. R. Clarke, Mine Manager, who took office November 1, 1967 and by the staff and the Haitian employees. Further, your Board would like to acknowledge the cooperative spirit existing between mine management and the Haitian government officials familiar with the operations of the mine.

On behalf of the Board of Directors,

MURRAY COOPER,
President.

Toronto, Ontario,
April 1, 1968.

Consolidated Halliwell Limited

(No Personal Liability)

and its consolidated subsidiary

CONSOLIDATED STATEMENT OF INCOME

Year ended December 31, 1967

(with comparative figures for 1966)

	1967	1966
PRODUCTION OF CONCENTRATES, at estimated net realizable value under sales contracts	$1,770,250	$2,798,355
Operating expenses	1,982,153	2,321,472
Profit (loss) on operations	(211,903)	476,883
OTHER EXPENSES:		
Debenture interest	195,152	196,693
Interest on mortgage	15,000	22,398
Other interest and administrative expenses	65,958	100,650
Directors' fees	1,612	4,985
Outside exploration		3,625
	277,722	328,351
LESS:		
Profit on foreign exchange	14,887	9,487
Other income (note 9)	1,532	127,868
	16,419	137,355
	261,303	190,996
Income (loss) before undernoted items	(473,206)	285,887
AMORTIZATION:		
Debenture discount	10,008	11,336
Deferred exploration, development and administrative expenditures	581,270	679,243
Excess of cost of shares in subsidiary over book value at date of acquisition	205,579	205,579
DEPRECIATION	404,868	558,805
	1,201,725	1,454,963
LOSS FOR YEAR	$1,674,931	$1,169,076

CONSOLIDATED STATEMENT OF DEFICIT

Year ended December 31, 1967

(with comparative figures for 1966)

	1967	1966
Deficit at beginning of year	$3,747,265	$2,578,189
Loss for year	1,674,931	1,169,076
Deficit at end of year	$5,422,196	$3,747,265

CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES

Year ended December 31, 1967

(with comparative figures for 1966)

	1967	1966
Balance at beginning of year	$2,716,971	$3,293,228
Exploration expenditures incurred during year	189,377	102,986
	2,906,348	3,396,214
Deduct amortization for year	581,270	679,243
Balance at end of year	$2,325,078	$2,716,971

Consolidated Halliwell Limited

(No Personal Liability)

and its consolidated subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 1967

1. BASIS OF CONSOLIDATION:

The accounts of the company's wholly-owned subsidiary, Societe d'Exploitation et de Developpement Economique et Naturel D'Haiti (Sedren), S.A. (incorporated under the laws of the Republic of Haiti), have been consolidated herein.

The cost of the company's investment in Sedren exceeds the value of the shares issued, according to the books of the subsidiary, by $822,315. As at January 1, 1966 the company commenced amortization of the excess at a rate of 25% per annum on a straight line basis.

The accounts of Sedren are maintained in U.S. dollars. Current assets and liabilities and major replacement parts and slow moving items of the subsidiary have been converted into Canadian funds at the prevailing rate of exchange at the balance sheet date; all other assets and liabilities have been translated at par.

The company holds a 97% interest in Compagnie Nationale d'Exploration S.A., (C.N.E.S.A.) a company incorporated under the laws of the Republic of Haiti. The accounts of this subsidiary which holds a mining concession in Northern Haiti have not been consolidated since the company is in the exploratory stage.

The vendor of the concession, who retains a 3% interest therein, has taken legal action to have the vending agreement rescinded. The company does not consider the vendor's claim valid and does not anticipate that any liability will arise therefrom.

2. MINING CONCESSION:

By agreement dated April 29, 1955, the Government of the Republic of Haiti granted to Sedren the right to exploit for a period of twenty-five years, renewable under certain conditions for an additional twenty-five years, certain copper-bearing properties located in the Terre Neuve Area of Haiti. The agreement provides for the payment of a royalty to the Government of 6% of net smelter returns, and of an annual tax.

3. AMORTIZATION AND DEPRECIATION POLICY:

Amortization of exploration, development and administrative expenditures at 20% and depreciation of fixed assets at rates varying from 5% to 33% are calculated on the diminishing balance basis. If amortization and depreciation were related to copper produced to date and to the estimated copper content of the indicated ore reserves, the unamortized balance of fixed assets, deferred charges and excess of cost of shares in subsidiary over book value at date of acquisition would be approximately $3,100,000 less than the aggregate value shown by the balance sheet.

4. REORGANIZATION OF COMPANY:

By agreements dated March 15, 1968, the company, the debentureholders, Continental Copper & Steel Industries, Inc. and certain shareholders have agreed to a reorganization of the company's affairs as set out following and subject to:

1. approval of the shareholders of the company
2. issuance of supplementary letters patent increasing the authorized capital of the company from $12,000,000 to $17,000,000 divided into shares of par value $1 each
3. acceptance for filing by the Toronto Stock Exchange of a filing statement reflecting the agreements
4. obtaining a ruling under the Securities Act, 1966 (Ontario) that the shares issued to the debentureholders will not constitute primary distribution as defined in the Act
5. authorization of the Office of Foreign Direct Investments, Department of Commerce, Washington for the guarantee of bank loan by Continental.

TERMINATION OF COPPER PURCHASE AGREEMENTS:

Continental has agreed to terminate March 31, 1968 various agreements by which the company, together with Sedren, contracted to sell to Continental 80,000,000 pounds of copper. The company

(Continued)

Consolidated Halliwell Limited

(No Personal Liability)

and its consolidated subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

TERMINATION OF COPPER PURCHASE AGREEMENTS (Continued)

is obligated to pay to Continental liquidated damages of U.S. $323,868 being equal to the discounts to which Continental would have become entitled in respect of the undelivered 16,193,406 pounds of the 80,000,000 pounds required to be delivered under the copper purchase agreements.

The company will issue to Continental 359,100 shares of its capital stock in full settlement of the liquidated damages of U.S. $323,868.

SETTLEMENT OF DISCOUNT DUE CONTINENTAL:

Continental has agreed to defer the discount on copper purchased due them at March 31, 1968 of U.S. $109,836. This amount will be payable in quarterly instalments of U.S. $10,000 commencing January 1, 1969 and the balance on or before July 1, 1970. Continental may convert on or before May 1, 1970 all or any part of the unpaid portion into shares of Halliwell at a price of Cdn. $1.25 per share.

DEFERMENT OF MORTGAGE OBLIGATION:

Continental has agreed to defer payment of the 6% mortgage due June 29, 1967 in the principal amount of U.S. $250,000 and interest accrued and unpaid thereon at March 31, 1968 of U.S. $76,344. The balance will be payable with interest at 6% in semi-annual instalments of U.S. $50,000 commencing January 1, 1969 and the balance on or before July 1, 1971 with payments applied firstly on account of interest.

ADDITIONAL WORKING CAPITAL:

Continental and certain shareholders have agreed to provide the company with new working capital by guaranteeing a bank loan of Halliwell for U.S. $300,000. In consideration therefor, Halliwell will issue to the guarantors 150,000 shares of its capital stock.

SETTLEMENT OF DEBENTURES:

As at March 31, 1968 the company is in default on the $2,907,000 principal amount of debentures outstanding and accrued interest thereon at that date of $670,920 aggregating $3,577,920. The debentureholders have agreed to accept 1,574,285 shares of Halliwell in full settlement of the debentures and accrued interest thereon at March 31, 1968.

5. CURRENT LIABILITIES:

If the reorganization of the company (see note 4) is not approved, all of the non-current liabilities amounting to $3,960,018 at December 31, 1967 become due and payable immediately.

6. CONTINGENT LIABILITY:

Sedren is contingently liable for severance allowances which under Haitian law are payable to any employee discharged after three months or more of service. No provision has been made by the company for possible severance payments. The company follows the policy of meeting these obligations as they materialize, charging such payments to expense when made.

7. COMPARATIVE FIGURES:

The 1966 figures have been reclassified on the basis of presentation used for 1967.

8. OTHER INFORMATION:

Direct remuneration of directors and senior officers (as defined by The Corporations Act, Ontario) amounted to $31,372 for the year.

9. OTHER INCOME:

Other income in 1966 includes $117,000 relating to an insurance claim in connection with a flash flood and fire.

PLAINTIFFS EX 10 PLF EX 154 MARKED FOR IDENTIFICATION IN EVID. 6/22/73

138A

10

Consolidated Halliwell Limited

(No Personal Liability)

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31

1968

Consolidated Halliwell Limited

(No Personal Liability)
366 Bay Street
Toronto 1, Ontario

TO THE SHAREHOLDERS:

Presented herewith is the Annual Report of your Company for the fiscal year ended December 31st, 1968, together with the Notice of Annual and Special General Meeting of Shareholders and the statutory Information Circular.

At the forthcoming meeting, the shareholders will be asked to consider and approve a plan of reorganization which the Board considers to be in the best interests of your Company. The proposed reorganization will result in the authorized capital being 5,000,000 shares without par value and the presently issued shares being cut back on the basis of one new share for ten present shares. The reorganization will provide the basis for the private placement agreements to be made by the Company with three financing corporations (as more fully presented in the Information Circular). These corporations will be providing new financing to the Company by the purchase of 250,000 units, each unit consisting of one new share and two share purchase warrants in the capital stock of the Company for the price of $6.00 per unit. Each warrant entitles the holder to purchase one share in the capital of the Company at the price of $6.50 per share for a period of eight years after issue.

By the sale of the 250,000 units the Company will be provided with $1,500,000 (Cdn) and be in a position to pay off the bank loan of $300,000 (U.S.) and settle other obligations which have been long outstanding and now aggregate approximately $400,000 (U.S.). This financing will leave the Company in a strong cash position to carry on its mining operation and undertake an expanded program of exploration.

NEW EXPLORATION

The firm of Behre Dolbear & Co., New York, Consulting Mining Engineers, was retained to make an examination of the Company's mining properties in Haiti. In their report they confirmed the recommendations of our Company's staff that the

Company institute a stepped-up program of underground development in the area now being mined and an all-embracing surface exploration program on the balance of the Company's concessions, at an estimated cost of $500,000. The Company plans to put these recommendations into effect on a phased basis, proceeding as results warrant from time to time.

MINING OPERATIONS

In addition to the review of operations for 1968, the Mine Manager's report makes reference to the flood loss suffered at our Haitian property. The damage was so extensive that production had to be suspended for a period of three months resulting in a sizeable reduction in the Company's revenue for the year. The Company has already received payment for a good part of its insurance claim and is presently negotiating for the balance.

Since resumption of full scale milling operations last October production has been up to expectations and shipments of copper concentrates have been made on a regular basis. In March 1968 the Company by agreement terminated its copper sales contract and since that date the Company has handled its own marketing at prices substantially higher than would have been realized under the previous contract. Settlements are now being based on London Metals Exchange quotations.

GENERAL

Shares of the Company have again been granted exemption from the U.S. Government's Interest Equalization Tax Act.

Your Board wishes to express appreciation for the services rendered by Mr. T. R. Clarke, Mine Manager, the supervising staff and employees at the mine. Your Board also wishes to acknowledge the valuable assistance rendered to the Company by officials of the Haitian Government.

On behalf of the Board of Directors,

MURRAY COOPER,

President.

Toronto, Ontario,
June 9th, 1969.

141A

Consolidated Halliwell Limited

(No Personal Liability)

May 14, 1969.

The President and Directors,
CONSOLIDATED HALLIWELL LIMITED,
366 Bay Street,
Toronto 1, Ontario.

Gentlemen:

Following is my report covering mining operations of your wholly owned subsidiary, Sedren S.A., located at Mémé, Republic of Haiti for the year ended December 31, 1968.

A flash flood passed through the mine area June 19, 1968 and caused serious damage to the plant installation. Partial production was resumed in September followed by full production by the end of October.

PRODUCTION

During the year 117,626 short dry tons were treated having an average grade of 1.497 percent copper. Copper recovery was 95.509 percent. Concentrate produced totalled 5,193.7 tons containing 3,363,304 pounds of copper. Net value of production was $1,464,214.72.

By comparison 1967 production totalled 7,458 tons of concentrate containing 4,752,475 pounds of copper with a net value of $1,770,250.

Production was seriously curtailed due to the three month period in which the plant was closed down for rehabilitation.

CONCENTRATE SHIPMENTS

Four shipments of concentrate for overseas smelters were made during the year for an estimated total of 5,596 short dry tons.

STOPING SUMMARY

Ore broken in stoping operations in the mine totalled 125,445 tons while 115,502 tons were hoisted.

A breakdown of mine production follows:

Level	Tons Broken	Tons Removed	Broken Ore Remaining
1100	6,100	5,026	2,211
1200	4,350	4,334	453
1300	13,200	15,110	1,830
1500	45,220	54,563	3,834
1600	12,900	9,267	84
1700	43,675	26,865	50,918
TOTAL	125,445	115,502	59,330

EXPLORATION AND DEVELOPMENT

No outside or surface exploration was carried on during the year. Underground exploration and development drilling amounted to 1,107 feet and was confined to extending ore reserves. Underground development headings amounted to 2,451 feet and were limited to opening up stoping areas and development of the 1900 level station number three shaft.

ORE RESERVES

Ore reserves at the year's end totalled 324,060 tons grading 1.48 percent copper, as against 351,428 tons grading 1.54 percent at the end of 1967.

GENERAL

The flash flood of June 19 put a serious delay into the exploration program on the 1900 level. As a result no new ore below the present workings could be added to the ore reserves during 1968. The number three exploration shaft is now ready and development of the 1900 level will be underway early in 1969. Mineralization of ore grade was cut in three diamond drill holes put down in 1968 in the vicinity of this horizon.

Generally good copper markets prevailed during 1968. These prices along with an improved metallurgical performance in the milling plant helped considerably in offsetting the relatively low grade mill head.

Some reduction was made in the number of employees in 1968 to meet present operating conditions. On January 1st, 1969, there were 394 Haitians and 14 Canadians employed on the permanent payroll as against 441 Haitians and 13 Canadians January 1st, 1968. A further reduction of some fifty temporary employees was also made during the year.

The manager wishes to thank both the head office staff and the mine staff for their valuable assistance and cooperation during 1968.

Respectfully submitted,

T. R. CLARKE, P.Eng., B.Eng.,
Mine Manager

Consolidated Halliwell Limited

(No Personal Liability)

and its consolidated subsidiary

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31, 1968

(with comparative figures for 1967)

	1968	1967
Source of funds		
Operations		
Loss for year	$1,085,375	
Deduct items not involving a current outlay of funds		
Amortization and depreciation	978,824	
Debenture interest, deferred	50,343	
Mortgage interest, deferred	18,425	
Amortization of premium on deferred debenture interest	585	
Decrease in major replacement parts and slow moving items	49,075	
	1,097,252	
	11,877	
Bank loan	322,500	
Items transferred from current liabilities		
Mortgage principal and accrued interest		$ 322,604
Discount on copper sales		109,836
Accrued interest on sinking fund debentures		4,845
	334,377	437,285
Application of funds		
Operations		
Loss for year		1,674,931
Deduct items not involving a current outlay of funds		
Amortization and depreciation		1,201,725
Debenture interest, deferred		192,810
Amortization of premium on deferred debenture interest		2,342
Decrease in major replacement parts and slow moving items		31,886
		1,428,763
		246,168
Additions to fixed assets	5,251	19,601
Exploration and development expenditures	57,635	189,377
Increase in advances to C.N.E.S.A.	15,576	3,178
Instalments on non-current liabilities, due within one year	140,000	
	218,462	458,324
Increase (decrease) in working capital	115,915	(21,039)
Working capital at beginning of year	114,279	135,318
Working capital at end of year	$ 230,194	$ 114,279

Consolidated Halliwell Limited

(No Personal Liability)

and its consolidated subsidiary

CONSOLIDATED STATEMENT OF INCOME

Year ended December 31, 1968

(with comparative figures for 1967)

	1968	1967
Production of concentrates, at estimated net realizable value under sales contracts	$1,509,532	$1,770,250
Operating expenses	1,435,497	1,982,153
Profit (loss) on operations	74,035	(211,903)
Other expenses		
Debenture interest	50,928	195,152
Interest on mortgage	18,425	15,000
Interest on bank loan	11,181	
Administrative expenses	106,358	65,958
Directors' fees		1,612
Loss on foreign exchange	22,477	
	209,369	277,722
Less		
Profit on foreign exchange		14,887
Other income	28,783	1,532
	28,783	16,419
	180,586	261,303
Loss before undernoted items	106,551	473,206
Amortization		
Debenture discounts	2,502	10,008
Deferred exploration, development and administrative expenditures	476,506	581,270
Excess of cost of shares in subsidiary over book value at date of acquisition	205,579	205,579
Depreciation	294,237	404,868
	978,824	1,201,725
Loss for year (note 4)	$1,085,375	$1,674,931

Consolidated Halliwell Limited

(No Personal Liability)

and its consolidated subsidiary

CONSOLIDATED STATEMENT OF DEFICIT

Year ended December 31, 1968

(with comparative figures for 1967)

	1968	1967
Deficit at beginning of year	$5,422,196	$3,747,265
Loss for year	1,085,375	1,674,931
Deficit at end of year	$6,507,571	$5,422,196

CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES

Year ended December 31, 1968

(with comparative figures for 1967)

	1968	1967
Balance at beginning of year	$2,325,078	$2,716,971
Exploration expenditures incurred during year	57,635	189,377
	2,382,713	2,906,348
Deduct amortization for year	476,506	581,270
Balance at end of year	$1,906,207	$2,325,078

Consolidated Halliwell Limited

(No Personal Liability)
and its consolidated subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended December 31, 1968

1. BASIS OF CONSOLIDATION

The accounts of the company's wholly-owned subsidiary, Societe d'Exploitation et de Development Economique et Naturel D'Haiti (Sedren), S.A. (incorporated under the laws of the Republic of Haiti), have been consolidated herein.

The cost of the company's investment in Sedren exceeds the value of the shares issued, according to the books of the subsidiary, by $822,315. As at January 1, 1966 the company commenced amortization of the excess at a rate of 25% per annum on a straight line basis.

The accounts of Sedren are maintained in U.S. dollars. Current assets and liabilities and major replacement parts and slow moving items of the subsidiary have been converted into Canadian funds at the prevailing rate of exchange at the balance sheet date; all other assets and liabilities have been translated at par.

The company holds a 97% interest in Compagnie Nationale d'Exploration S.A., (C.N.E.S.A.) a company incorporated under the laws of the Republic of Haiti. The accounts of this subsidiary which holds a mining concession in Northern Haiti have not been consolidated since the company is in the exploratory stage.

The vendor of the concession, who retains a 3% interest therein, has taken legal action to have the vending agreement rescinded. The company does not consider the vendor's claim valid and does not anticipate that any liability will arise therefrom.

2. FLOOD INSURANCE CLAIM

In June 1968, the company suffered a flash flood at its mining property in Haiti which resulted in a suspension of mining for approximately three months.

Included in accounts receivable is an amount of approximately $170,000 representing continuing costs which form a part of the company's use and occupancy insurance claim. The company is claiming under the same policy an additional amount of $145,000 for the loss of profits during the three month period in which operations were suspended. The amount of settlement to be received, if any, cannot presently be determined.

3. MINING CONCESSION

By agreement dated April 29, 1955, the Government of the Republic of Haiti granted to Sedren the right to exploit for a period of twenty-five years, renewable under certain conditions for an additional twenty-five years, certain copper-bearing properties located in the Terre Neuve Area of Haiti. The agreement provides for the payment of a royalty to the Government of 6% of net smelter returns, and of an annual tax.

Consolidated Halliwell Limited

(No Personal Liability)

and its consolidated subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. AMORTIZATION AND DEPRECIATION POLICY

The company commenced amortization of deferred exploration, development and administrative expenditures from January 1, 1964 after the expiration of the first three years of commercial operations during which period it was exempt from Haitian income taxes. The company provides for amortization and depreciation on a declining balance basis at 20% per annum on deferred exploration, development and administrative expenditures and at rates varying from 5% to 33% on fixed assets.

Indicated ore reserves will be exhausted by December 31, 1970 at projected rates of production if no further ore reserves are established. If the mine were to cease operations on that date, the unamortized and undepreciated value of assets remaining at that date would be approximately $2,560,000.

If amortization and depreciation had been recorded by the company on a straight line basis over the presently indicated life of the mine, amortization and depreciation for the year would have been $337,845 (1967, $101,488) greater than the amounts recorded on the books of the company, and the accumulated deficiency since commencement of production would be $1,412,860.

For the period from January 1, 1969 to December 31, 1970 amortization and depreciation on the straight-line basis would be approximately $1,150,000 greater than will be provided on the present basis.

5. REORGANIZATION OF COMPANY

By agreements dated March 15, 1968, as amended, the company, the debentureholders, Continental Copper & Steel Industries, Inc. and certain shareholders agreed to a reorganization of the company's affairs.

Termination Of Copper Purchase Agreements

Continental agreed to terminate March 31, 1968 various agreements by which the company, together with Sedren, contracted to sell to Continental 80,000,000 pounds of copper. The company issued to Continental 359,100 shares of its capital stock in full settlement of the liquidated damages of U.S. $323,868 being equal to the discounts to which Continental would have become entitled in respect of the undelivered 16,193,406 pounds of the 80,000,000 pounds required to be delivered under the copper purchase agreements.

Settlement Of Discount Due Continental

Continental has agreed to defer the discount on copper purchased due them at March 31, 1968 of U.S. $109,836. This amount is payable, in quarterly instalments of U.S. $10,000 commencing January 1, 1969 and the balance on or before July 1, 1970. Continental may convert on or before May 1, 1970 all or any part of the unpaid portion into shares of Halliwell at a price of Cdn. $1.25 per share.

Consolidated Halliwell Limited

(No Personal Liability)

and its consolidated subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. REORGANIZATION OF COMPANY (Continued)

Deferment Of Mortgage Obligation

Continental has agreed to defer payment of the 6% mortgage due June 29, 1967 in the principal amount of U.S. $250,000 and interest accrued and unpaid thereon at March 31, 1968 of U.S. $76,344.

The balance is payable with interest at 6% in semi-annual instalments of U.S. $50,000 commencing January 1, 1969 and the balance on or before July 1, 1971 with payments applied firstly on account of interest.

Additional Working Capital

Continental and certain shareholders have provided the company with new working capital by guaranteeing a bank loan of Halliwell for U.S. $300,000. In consideration therefor, Halliwell issued to the guarantors 150,000 shares of its capital stock.

Settlement Of Debentures

As at March 31, 1968 the company was in default on the $2,907,000 principal amount of debentures outstanding and accrued interest thereon at that date of $670,920 aggregating $3,577,920. The debenture holders agreed to accept 1,574,285 shares of Halliwell in full settlement of the debentures and accrued interest thereon at March 31, 1968.

Authorized Capital

The authorized capital was increased from 12,000,000 shares par value $1 each to 17,000,000 shares par value $1 each by Supplementary Letters Patent dated May 13, 1968.

6. CONTINGENT LIABILITY

Sedren is contingently liabel for severance allowances which under Haitian law are payable to any employee discharged after three months or more of service. No provision has been made by the company for possible severance payments. The company follows the policy of meeting these obligations as they materialize, charging such payments to expense when made.

7. OTHER INFORMATION

Direct remuneration of directors and senior officers (as defined by The Securities Act, Ontario) amounted to $30,360 for 1968 and $31,372 for 1967.

PLAINTIFFS' EX. 11
FOR IDENT.

149A

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Meeting of Directors

MINUTES of a Meeting of the Board of Directors of CONSOLIDATED HALLIWELL LIMITED (No Personal Liability) held at the offices of National Outlook Corporation, 100 East 42nd Street, New York, N.Y., on Thursday, October 8, 1964, at the hour of 10:30 o'clock in the forenoon (New York time).

REPRESENTATION

There were present:

R. D. Bell
Murray Cooper
Fraser M. Fell
Mortimor S. Gordon
Adolph H. Graetz
Harry Harris
Walter H. Knorr
S. Ungerleider
Arthur Wheeler

being a quorum of the Board of Directors. Also present at the invitation of the Board was Mr. George W. Tower.

FORMALITIES

The President, Mr. Murray Cooper, presided at the meeting and with the consent of the meeting, the Treasurer, Mr. R. D. Bell, acted as Secretary and took the minutes.

This meeting having been called by Notice dated September 29, 1964 a copy of which appears as Schedule "A" to these minutes, and a quorum of the Directors being present, the Chairman declared the meeting regularly constituted for the transaction of business.

ADOPTION OF MINUTES

Messrs. Mortimor S. Gordon, Harry Harris, Arthur Wheeler and S. Ungerleider stated that they were Directors of Continental Copper & Steel Industries, Inc. (C.C.S.) and as such declared that they were interested in certain resolutions passed by the Board of Directors on May 26, 1964, and June 29, 1964, and would accordingly refrain from voting on any resolution involving C.C.S.

After discussion, UPON MOTION regularly made, seconded and unanimously carried, Messrs. Gordon, Harris, Wheeler and Ungerleider refraining from voting thereon, IT WAS DULY RESOLVED that the minutes of the Directors' meetings held on May 26, 1964 and June 29, 1964, as

amended, be and the same are hereby approved and taken as read. 150A

AGREEMENT RE SALE OF CONCENTRATES

The Chairman then tabled an agreement dated July 1, 1964 made between C.C.S., Sedren, S.A., and the Company as Guarantor, appended as Schedule "B" to these minutes, covering the sale to C.C.S. of the copper concentrates produced by Sedren during the period from July 1, 1964 to December 31, 1966. After discussion, UPON MOTION regularly made, seconded and unanimously carried, Messrs. Gordon, Harris, Wheeler and Ungerleider refraining from voting thereon, IT WAS DULY RESOLVED that the agreement dated July 1, 1964 made between C.C.S., Sedren, S. A., and the Company, as Guarantor, covering the sale of copper concentrates produced by Sedren to C.C.S. during the period from July 1, 1964 to December 31, 1966, be and the same is hereby approved, ratified and confirmed; and IT WAS FURTHER RESOLVED that the action of Mr. Adolph H. Graetz in signing the said agreement on behalf of the Board be and the same is hereby approved.

EXTENSION OF C.C.S. AGREEMENT DATED APRIL 1, 1959

The Chairman then presented a further agreement dated July 1, 1964 made between the Company, Sedren, S.A., and C.C.S., appended as Schedule "C" to these minutes, whereunder, among other things, C.C.S. extended the agreement dated April 1, 1959, for a period of two and a half years and also extended to December 31, 1966 the time within which Sedren be required to deliver the balance of 80,000,000 pounds of copper wire bars to C.C.S. After discussion, UPON MOTION regularly made, seconded and unanimously carried, Mrssrs. Gordon, Harris, Wheeler and Ungerleider refraining from voting thereon, IT WAS DULY RESOLVED that the agreement dated July 1, 1964 made between the Company, Sedren, S.A., and C.C.S. providing for an extension of the April 1, 1959 agreement between the same parties to December 31, 1966, be and the same is hereby approved, ratified and confirmed; and IT WAS FURTHER RESOLVED that the action of Mr. Adolph H. Graetz in signing the said agreement on behalf of the Board be and the same is hereby approved.

SALE OF C.C.S. PREFERRED STOCK

Mr. Harris stated that C.C.S. was in the process of preparing a registration statement to be filed with the Securities and Exchange Commission, Washington, D.C., and if the filing was accepted, Sedren, S.A.

would be allowed to sell its 15,900 $25.00 5% Cumulative Preferred Shares of C.C.S. After discussion, UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that Sedren, S. A., be authorized and instructed, when possible, to sell its 15,900 $25.00 5% Cumulative Preferred Shares of C.C.S. at the best prices available.

GUGGENHEIM EXPLORATION COMPANY, INC.

The Chairman then presented to the meeting an agreement dated October 1, 1964 made between the Company and Guggenheim Exploration Company, Inc., whereunder Guggenheim after a ninety day examination period could elect to carry out a program of exploration on the "Plexman Concession". The terms of the said agreement, appended as Schedule "D" to these minutes, were briefly reviewed by Mr. Harris. After discussion, UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that the agreement dated October 1, 1964 made between the Company and Guggenheim Exploration Company, Inc. be and the same is hereby approved, ratified and confirmed, and IT WAS FURTHER RESOLVED that the action of the President in signing the said agreement on behalf of the Board be and the same is hereby approved.

LOST CERTIFICATE NO. NT3447
REGISTERED GOODWIN HARRIS & CO.

There was laid before the meeting a statutory declaration of one Alain Payette of the City of Montreal, Province of Quebec, alleging that he is the beneficial owner of Certificate No. NT3447 for 250 shares in the capital stock of Consolidated Halliwell Limited (No Personal Liability) registered in the name of Goodwin Harris & Co. and duly endorsed in blank for transfer, and that the said certificate was on deposit in the vault of Banque Canadienne Nationale, 272 St. Paul Street East, Montreal, Quebec, and was stolen from the said bank on or about November 11, 1963. In addition to the statutory declaration there was an Open Penalty Lost Security Bond No. 8S5517 of Canadian General Insurance Company under which Banque Canadienne Nationale as Principal and the said insurance company as Surety agree to indemnify the Company and Eastern & Chartered Trust Company in the event of any loss arising from the issue of the duplicate certificate. The solicitors for the Company have advised that the Bond is satisfactory in form. It was noted that a "stop transfer" notation has been placed against Certificate

152A

PLAINTIFFS' EX. 12
FOR IDENT.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Meeting of Directors

Minutes of a Meeting of the Board of Directors of CONSOLIDATED HALLIWELL LIMITED (No Personal Liability) held at the offices of National Outlook Corporation, 100 East 42nd Street, New York, N.Y., on Tuesday, May 26, 1964, at the hour of 10:30 o'clock in the forenoon.

REPRESENTATION

There were present:

R. D. Bell
Murray Cooper
Fraser M. Fell
Mortimor S. Gordon
Adolph H. Graetz
Harry Harris
H. W. Knight, Jr.
Walter H. Knorr
Arthur Wheeler

being a quorum of the Board of Directors.

FORMALITIES

The President, Mr. Murray Cooper, presided at the meeting and with the consent of the meeting the Treasurer, Mr. R. D. Bell, acted as Secretary and took the minutes.

This meeting having been called by Notice dated May 19, 1964, a copy of which appears as Schedule "A" to these minutes, and a quorum of the Directors being present, the Chairman declared the meeting regularly constituted for the transaction of business.

ADOPTION OF MINUTES

UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that the minutes of the last meeting of the Board of Directors held on October 2, 1963 be and the same are hereby adopted as read.

TORONTO STOCK EXCHANGE FILING STATEMENT

The Chairman advised the meeting that a filing statement had been filed with the Toronto Stock Exchange on December 4, 1963 to disclose the proposed issue of treasury shares to the debentureholders at the price of 40¢ per share to satisfy interest on the Company's 6½%

Directors dated May 25, 1964. He stated that the Mine Manager's Report, President's letter to shareholders and the audited consolidated financial statement for the year ended December 31, 1963 would be included in the 1963 Annual Report to Shareholders. UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that the Annual Report for the year ended December 31, 1963, a copy of which is appended as Schedule "E" to these minutes, be and the same is hereby approved and adopted.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that the Annual General Meeting of Shareholders of the Company be held at 9:30 o'clock in the forenoon on Monday, June 29, 1964, at the Mount Royal Hotel, Montreal, Quebec, for the purposes set forth in the Notice of Annual General Meeting of Shareholders, a copy of which is appended as Schedule "F" to these minutes; and IT WAS FURTHER RESOLVED that the form of proxy, a copy of which is appended as Schedule "G" to these minutes, be and the same is hereby approved and adopted.

NEGOTIATIONS - SEDREN SMELTER CONTRACT

Mr. Mortimor S. Gordon advised the meeting that the Company had been unable to negotiate a satisfactory contract with Philipp Brothers (Phibro) to cover the sale of Sedren's copper concentrates after June 30, 1964, the date upon which the present contract dated December 31, 1959, as amended, expires. He stated that in the meantime Continental Copper & Steel Industries, Inc. (CCS) on May 14, 1964 had offered the Company a contract, copy of which is appended as Schedule "H" to these minutes, based on a back to back ~~arrengement with~~ OFFER FROM Japanese interests to purchase Sedren's production for a period of 2½ years. Under this proposal Sedren would receive approximately $6.00 more per ton of concentrate compared with the best bid received from Phibro to date. This offer expired on May 22, 1964, however, Mr. Gordon advised that it could be extended to June 3, 1964.

Mr. Gordon further stated that when Phibro were informed of CCS's offer, they had threatened a law suit claiming breach of contract because of the renewal feature contained in the existing agreement.

It was their opinion that the offer had been fabricated by the Company and CCS and that it was a conspiracy to deprive them of the renewal contract. Mr. Gordon emphatically denied Phibro's allegations stating that CCS had a bona fide ~~contract with~~ "BID FROM" a Japanese smelter, and he had offered to turn this contract over to Phibro if they would offer the Company the same deal. Phibro had refused to do this. Phibro had also threatened to discontinue delivery of copper wire bars ^ DUE to CCS FROM PREVIOUS SHIPMENTS OF CONCENTRATES ~~and stop payments on account of shipment holdbacks if the Company accepted CCS's offer~~. "BID"

Mr. Gordon stated that if the Company refused to be intimidated by Phibro and accepted CCS's offer, and Phibro carried out their threats to discontinue delivery of copper wire bars and stop payments, the Company would have to sue Phibro for specific performance under the contract dated December 31, 1959 as amended. It was his opinion that such a law suit would have a very good chance of success.

Under these circumstances he estimated that the Company's possible exposure would be about $160,000.00 because of the necessity of buying for delivery to CCS approximately two million pounds of copper wire bars on the open market at a premium of about 8¢ per pound. He indicated that this exposure would be partially offset by an increment of about $125,000.00 which would result if the CCS offer was accepted.

Mr. Graetz then presented schedules outlining the various proposals received for the purchase of Sedren's concentrates and a comparison in detail of CCS's offer and Phibro's best bid, copies of which are appended as Schedule "I" to these minutes, which he explained to the meeting. To avoid ~~a law suit~~ "LITIGATION" Mr. Graetz suggested that the Company should accept a bid from Phibro if they offered a contract which would give Sedren a return of $1.00 per ton of concentrate less than the CCS offer. There followed a lengthy discussion concerning CCS's offer, possible law suit with Phibro, world copper situation, demand and stockpile, prices and availability, possible strikes in the U.S. in July when labour contracts expire, extension of CCS contract dated April 1, 1959 past June 30, 1964, and ~~waiver of~~ delivery of wire bars thereunder if CCS offer accepted. After this discussion,

"CREDITING THE COPPER CONTAINED IN CONCENTRATES RECEIVED"

UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that a committee consisting of Messrs. Cooper, Graetz, and Bell be appointed to finalize a new contract for the sale of Sedren's copper concentrates subsequent to June 30, 1964. And IT WAS FURTHER RESOLVED that if a contract is finalized with Phibro, the return per ton of concentrate must be within $1.00 of that which Sedren would have received if the CCS offer dated May 14, 1964 had been accepted.

CONCLUSION

There being no further business, UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that this meeting be and the same is hereby concluded.

Chairman

Secretary

PLAINTIFFS' EX 13 FOR IDENT.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Meeting of Directors

MINUTES of a Meeting of the Board of Directors of CONSOLIDATED HALLIWELL LIMITED (No Personal Liability) held in the offices of Messrs. Gordon, Brady, Caffrey and Keller, 120 Broadway, New York, New York, U.S.A., on Thursday, August 10th, 1961, at the hour of 10:00 o'clock in the forenoon.

REPRESENTATION

There were present:

William Plexman
E. Garth Braund
Murray A. Cooper
Mortimor S. Gordon
A. H. Graetz
Harry Harris
Arthur C. Wheeler
Samuel Ungerleider

being a quorum of the Board of Directors. Also present at the invitation of the Board was Mr. R. D. Bell.

FORMALITIES

The President, Mr. William Plexman, presided at the meeting and with the consent of the meeting the Treasurer, Mr. R. D. Bell, took the minutes.

This meeting having been called by Notice dated August 2nd, 1961, a copy of which appears as Schedule "A" to these minutes, and a quorum of the Directors being present, the Chairman declared the meeting regularly constituted for the transaction of business.

ADOPTION OF MINUTES

The minutes of the meetings of the Board of Directors held on June 20, 1961 were read to the meeting and corrections made. UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that the minutes of the meetings of the Board of Directors held on June 20, 1961, as corrected, be and the same are hereby approved and adopted. Messrs. Mortimor S. Gordon, Harry Harris, Arthur C. Wheeler and Samuel Ungerleider disclosed that they were Directors and shareholders of Continental Copper & Steel Industries, Inc., which company was interested in certain transactions approved at the meetings held on June 20, 1961, and accordingly refrained from voting on the foregoing motion.

contract price of $748,098.00 Canadian funds.

UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED, subject to the approval of Mr. Herman Keller, that Messrs. Plexman and Bell be authorized to execute on behalf of the Company the draft agreement dated August 3rd, 1961, between the Company, Denver Equipment Company Limited and Consolidated Mogul Mines Limited.

LOST SHARE CERTIFICATE NT35030 - 1,000 SHARES
REGISTERED L. G. BEAUBIEN & CO.
OWNED BY MR. ROBERT SLACK

The Secretary tabled correspondence relative to the loss of the above mentioned certificate for shares in the capital stock of the Company and stated that the Company's solicitors had advised that they were of the opinion that the Company was sufficiently protected to authorize the issuance of a replacement certificate. Accordingly, UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that The Eastern Trust Company, Montreal, the Company's registrar and transfer agent, be and it is hereby authorized and instructed to issue a replacement certificate for lost certificate NT 35030 for 1,000 shares of the Company's capital stock registered in the name of L. G. Beaubien & Co.

GEORGE TOWER

UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that Mr. George Tower be and he is hereby appointed to direct Sedren's mining and production organization, and that he be paid for his services in this capacity at the rate of $10,000.00 per annum. Mr. Gordon stated that Mr. George Tower would be responsible to the Board of Directors of the Company for the direction of Sedren's mining policies.

BANKING RESOLUTIONS

UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that the banking resolutions heretofore passed by the Directors for the operation of the Company's bank accounts at The Royal Bank of Canada, Toronto, Ontario, and The Marine Midland Trust Company of New York, New York, U.S.A., be and the same are hereby rescinded and that the banking resolutions in the form required by

said banks appended as Schedules "B" and "C" to these minutes be and the same are hereby adopted. The banking resolutions authorized any two of Messrs. Mortimor S. Gordon, Walter H. Knorr or Herman Keller or any one of them together with Norman B. Mullen or Glenn W. Danks to sign on the Company's bank accounts.

CONCLUSION

There being no further business, UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that this meeting be and the same is hereby concluded.

Chairman

Secretary

EXCERPTS FROM THE MINUTES OF THE CONTINENTAL BOARD OF DIRECTORS MEETING ON JANUARY 22, 1959 MARKED PLAINTIFFS' EXHIBIT 14 FOR IDENTIFICATION

sheets of Mogul and Halliwell as at November 30, 1958 and a report on Halliwell were distributed to directors who had not already received them. The Denver Equipment Company, Ltd. has agreed to construct a concentration and preparation plant for approximately $2,000,000. This is to be a "turn-key" installation and will provide Mogul with complete mine facilities above ground, exclusive of smelter facilities. Of said sum, $500,000 is required to be paid during the course of construction, an additional $1,000,000 is required for development capital to be expended during the next ten months and up to a maximum of $1,000,000 as working capital. Mogul which is committed to provide Halliwell with the necessary financing is at present unable to do so and therefore efforts are being made to secure the required financing from other sources, during the course of which the matter came to the attention of Mr. Harris, who was instrumental in having the matter submitted to the Company for consideration. Since the company providing the funds would be in a position to control a source of copper and since Mr. Gordon felt that it is important for the Company to be in such a position, he and Mr. Harris having been acting expeditiously in an effort to negotiate a proposal which would be acceptable to the Company especially since negotiations were already pending with another interested source. It was initially contemplated that a secured loan of $2,000,000 would be made to Mogul and the lender would be given

an opportunity to purchase for $500,000, an aggregate of 1,000,000 shares of Halliwell currently selling at $.69-.70 per share and 250,000 shares of Mogul currently selling at $1.60 per share. In addition, Mogul will grant the lender an option to purchase all or any part of 500,000 shares of Mogul common stock at prices ranging from $1.25 per share to $2.50 per share. Mr. Gordon reported that when the proposal was submitted to the Finance Committee, certain of the members felt that although it was desirable to control a source of copper it would not be advisable to accept the proposal advanced for several reasons, to wit: The Company has better use for its capital; it lacks experience and know-how in the mining business and the property is located in Haiti, where it can be affected by political changes. In view of the position taken by the Finance Committee, Mr. Gordon stated, another program has been developed for a joint participation between the Company and National Outlook Corporation, in which Messrs. Gordon and Harris, as well as several other directors, have an interest. The revised program was designed to enable the Company by taking a limited participation, to acquire a life-of-the-mine contract for all of the mine's concentrates and would require the Company to advance $600,000 only on completion of the mill and the approval of an adequate flow sheet establishing the success of the installation, said amount to be repaid to the Company by application against payment for the copper. National Outlook Corporation

PLAINTIFFS' EX. 16 FOR ID.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

162A

Meeting of Directors

MINUTES of a Meeting of the Board of Directors of CONSOLIDATED HALLIWELL LIMITED (No Personal Liability) held in the offices of Messrs. Gordon, Brady, Caffrey & Keller, 120 Broadway, New York, N.Y., on Tuesday, May 2, 1961, at the hour of 11:00 o'clock in the forenoon.

REPRESENTATION

There were present:

William Plexman
Georges Baussan, Fils
E. Garth Braund
Murray A. Cooper
Fraser M. Fell
Mortimor S. Gordon
A. H. Graetz
Harry Harris

being a quorum of the Directors. Also present were Messrs. R. D. Bell, Samuel Ciglen, Q.C., F. C. Knight, H. W. Knight, Jr., and G. D. Pattison.

FORMALITIES

The President, Mr. William Plexman, presided at the meeting and the Secretary, Mr. G. D. Pattison, took the minutes.

This meeting having been called by notice dated April 21, 1961, a copy of which appears as Schedule "A" to these minutes, and a quorum of the Directors being present, the Chairman declared the meeting regularly constituted for the transaction of business.

ADOPTION OF MINUTES

The minutes of the last meeting of the Board of Directors held on March 28, 1961, were read to the meeting, and a correction made on Page 2 thereof by adding the words,"or cause to be provided" preceding the words "up to" on the eighth last line of said page. After discussion, UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that the minutes of the last meeting of the Board of Directors held on March 23, 1961, as corrected, be and the same are hereby approved and adopted.

APPROVAL OF AUDITED FINANCIAL STATEMENT

UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that the consolidated financial statement of the Company and its wholly-owned subsidiary for the year ended December 31,

current year had been a drought year in the mine area in Haiti, and that the heavy rains expected at this time of year had not yet commenced. He advised that the facing of Sedren's water reservoir was being sandbagged and that its height was being raised from 70' to 90' this year and eventually to 125', which height would provide for a storage volume of about 222,000,000 gallons. If it became necessary to utilize a new source of water, the Chairman stated that a well about six miles away from the mine with a capacity of 1,600 g.p.m. could be used, but that an estimated expenditure of about $500,000.00 and a minimum of about three months for construction of a water line would be required. Consideration was then given to the feasibility of arranging for the seeding of clouds with dry ice or potassium iodide. Mr. Baussan stated that he would approach the proper Government authorities in Haiti in this matter and felt that the Haitian Air Force might be co-operative.

NEW FINANCING

Reference was made to the discussions at the last meeting of the Board of Directors preceding the passing of the resolution authorizing Sedren,S.A. to seek a bank loan of $1,000,000. It was reported to the meeting that Messrs. Graetz and Bell had carried on negotiations with The Marine Midland Trust Company of New York and in connection had presented a projection of the cash flow for the period March 1, 1961 to December 31, 1962, a copy of which appears as Schedule "C" to these minutes. It appears therefrom that assuming production would reach 1,700 tons of concentrates in August of this year and be maintained at that level throughout the remainder of the period, the Sedren operations would generate $1,113,000 of net cash by December 31, 1962 after payment of $260,000 on account of Government royalties. After payment, however, of the Company's operating expenditures estimated at $369,000, debenture interest in the amount of $489,000, a total of $1,048,000 to Denver Equipment Company Ltd. (Denver), and $213,000 of discount to Continental Copper & Steel Industries, Inc. (Continental), there would be a deficit of $1,006,000 and there would be outstanding a liability of $100,000 to Continental, $100,000 of accrued Government royalties and $51,000 of accrued discount to Continental. The inventory of concentrates on hand would then have an estimated value of $249,000. The foregoing estimates were on the

assumption that Consolidated Mogul Mines Limited (Mogul) would take up $250,000 of the Company's debentures and pay $247,000 therefor including accrued interest, and that there would be no other outstanding liabilities save to the holders of $3,691,000 of debentures then outstanding.

Mr. Mortimor S. Gordon reported that following receipt of the information contained in the cash flow projection aforesaid and discussions with officials of the banking institution aforementioned and with some of his fellow officers and directors of Continental, he had met with Messrs. H. Harris and H. W. Knight, Jr. in Florida and further reviewed the Company's financial requirements. It was the consensus of their opinions that $1,500,000 of new finances should be procured to permit the discharge of the advances made by National Outlook Corporation and/or Continental, to relieve Mogul from making advances towards the purchase of debentures additional to the $125,000 already advanced, and to provide adequate working capital. To this end negotiations had proceeded with a view to obtaining a loan of $1,500,000 from Continental on the security of a prior mortgage on the assets of Sedren, S.A. While Continental was not in a position to make such a loan, it had offered to assist our Company and Sedren, S.A. in securing $1,500,000 of new finances in the manner hereinafter outlined, namely:

1. The Company to increase its capital to ~~12,000~~ 12,000,000 shares by creating 2,000,000 additional shares.

2. Continental to purchase 1,000,000 of the said shares @ 40¢ U.S. per share which would provide $400,000 U.S. to the Company.

3. Mogul to purchase $132,000 principal amount of the Company's debentures at $96.00 per $100.00, the advances of $125,000 made by Mogul to the Company and interest accruing thereon to be credited against the purchase price of the said debentures and accrued interest thereon.

4. Sedren, S.A. to purchase from Continental 60,000 of its 5% Preferred shares at the par value thereof, namely $25.00 U.S. per share, subject to the listing thereof on the New York Stock Exchange, and in payment therefor Sedren S.A. to issue to Continental a prior first mortgage on its assets in Haiti in the aggregate principal amount of $1,500,000 U.S. bearing interest at 6% per annum, payable half-yearly and maturing in five years with a provision for sinking fund payments of $300,000 per year subject to increase out of profits of production.

5. Sedren, S.A. to borrow from The Marine Midland Trust Company of New York and/or other banking institutions $1,100,000 U.S. repayable out of the profits of production together with interest at 6% per annum maturing in full in two years against the security of the said 60,000 Preferred shares of Continental, and the said prior first mortgage of $1,500,000 would be subordinated to the $1,100,000 bank loan or assigned as collateral if required.

In order to carry out the foregoing arrangements it will be necessary for Mogul to give up its contract as managers, consultants and selling agents so that Continental could thenceforth take an active part in the management of the Company and Sedren, S.A.; for the Company to subordinate to the security to be given to Continental and the banks as aforementioned the repayment to the Company of all moneys owing by Sedren, S.A. to the Company; and to obtain the consents of the holders of the Company's debentures to subordinate the said debentures to the new capital of $2,600,000 to be provided as aforesaid; to extend the maturity date of the said debentures by two years; and to vary the sinking fund provisions in order to permit the prior retirement of the security to be given to Continental and the banks as aforesaid.

It was pointed out that Sedren's profits on the production of copper concentrates in excess of 1,700 tons per month would be available, subject to the terms and conditions of the aforesaid mortgages and liens to be given by Sedren, for the servicing of the debentures to be outstanding and that after the said prior mortgages and liens have been paid and discharged, the full earning power of Sedren will become available for retirement of debentures.

Mr. Harris stated that Continental's 5% Preferred shares were presently trading on the New York Stock Exchange at $21.00 per share and that he was of the opinion that if Sedren, S.A. should at some time in the future find it necessary or desirable to dispose of this investment, he was confident that a price of at least $20.00 per share might be realized by careful liquidation over a period of time.

Mr. H. W. Knight, Jr. then stated that he and Mogul's Counsel, Samuel Ciglen, Q.C. had met with Messrs. Harris, Gordon and Graetz prior to the commencement of this meeting and the proposals as outlined above had been reviewed in detail, that Mogul had reached

an understanding with National Outlook Corporation, and that Mogul was prepared to co-operate in implementing the plan of finance as outlined and to facilitate the implementation thereof by surrendering its sales agency contract immediately and its contract as managers and consultants on May 31, 1961, in consideration of $200,000 principal amount of the Company's debentures. In order to obtain the consents of the debentureholders as required as aforesaid, it was his opinion that the rate of interest should be increased to 6-1/2% commencing June 1, 1961.

Further discussion followed during which it was pointed out that the proposals as outlined above would have to be in part submitted to the shareholders and acceptable to the Toronto Stock Exchange. Mr. Gordon stated that an increase in the number of directors was desirable so that Continental might have five nominees elected thereto, the debentureholders two (one from National Outlook Corporation and one from Mogul), and four representing the shareholders at large. This meant that eleven seats were necessary and the by-laws of the Company would require amendment accordingly. It was felt that a quorum should be five and that provision should be made for an Executive Committee of not less than three directors. In view of these changes and also the necessity of providing in the by-laws that the financial statements to be placed before the annual meeting of shareholders should be made up to a date not more than six months before such meeting, and the inadequacy of the Company's general by-laws, it was considered timely to enact the proposed new General By-law to govern the administration of the affairs of the Company, consideration of which had been deferred at previous meetings.

BY-LAW A - RELATING GENERALLY TO THE CONDUCT OF THE BUSINESS AND AFFAIRS OF THE COMPANY

After discussion, UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that the draft by-law relating generally to the conduct of the business and affairs of the Company as presented to the meeting and amended to provide for an Executive Committee of not less than three directors and for a board of eleven directors, of whom five shall form a quorum, be and the same is hereby enacted as By-law A of the Company; and that any two of the officers of the Company be and they are hereby authorized and empowered to sign the said by-law under the corporate seal of the Company evidencing the enactment thereof.

BEST COPY AVAILABLE

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

PLAINTIFFS' EX 17
FOR IDENT

Annual General Meeting of Shareholders

MINUTES of the Annual General Meeting of the Shareholders of CONSOLIDATED HALLIWELL LIMITED (No Personal Liability) held in Salon "B", Chateau Frontenac Hotel, Quebec City, Quebec, on Tuesday, June 20, 1961, at the hour of 2:00 o'clock in the afternoon.

REPRESENTATION

There were present the following shareholders holding the number of shares indicated opposite their respective names:

Shareholder	No. of Shares	
Monroe Abbey	2,501	
Georges Baussan, Fils	14,071	
R. D. Bell	502	
Murray A. Cooper	5,001	
Fraser M. Fell	1	
Mortimor S. Gordon	1	
A. H. Graetz	1,001	
Harry Harris	1	
G. D. Pattison	1	
William Plexman	51	23,131
Shareholders represented by proxy in favour of William Plexman	-	4,168,305
		4,191,436

FORMALITIES

The President, Mr. William Plexman, presided as Chairman and the Secretary, Mr. G. D. Pattison, took the minutes of the meeting. Mr. R. D. Bell acted as Scrutineer.

The Secretary having read to the meeting the sworn declaration of Medard Marcotte, Assistant Transfer Officer of The Eastern Trust Company, the registrar and transfer agent for the Company's shares, as to the mailing on June 8, 1961 of the Notice calling this Meeting, and the Scrutineer having reported as to the representation at this meeting as aforesaid, the Chairman declared the meeting regularly called and properly constituted for the transaction of business and instructed the Secretary to append as Schedule "A" to these minutes the Declaration of Mailing.

ADOPTION OF MINUTES

UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that the minutes of the meeting of shareholders held on May 25, 1960 be taken as read and approved.

ADOPTION OF ANNUAL REPORT

The Annual Report of the Company for the year ended December 31, 1960 containing the Report of the President on behalf of the Board of Directors dated May 11, 1961; Report of the former Managing Director of Sedren, S.A., dated February 2, 1961, and consolidated financial statement of the Company and Sedren, S.A. for the year ended December 31, 1960 with Auditors' Report thereon dated February 18, 1961, was presented to the meeting and the Secretary read to the meeting the said Auditors' Report. UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that the reading of the Annual Report of the Company for the year ended December 31, 1960 be dispensed with.

After inviting any discussion, the Chairman called for a motion to adopt the Annual Report, and UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that the Annual Report for the year ended December 31, 1960 containing the Report of the President on behalf of the Board of Directors dated May 11, 1961, Report of the former Managing Director of Sedren, S.A., dated February 2, 1961, and consolidated financial statement of the Company and Sedren, S.A. for the year ended December 31, 1960, with Auditors' Report thereon dated February 18, 1961, be adopted.

ELECTION OF DIRECTORS

The Chairman declared the meeting open for nominations to the Board of Directors and stated that eleven Directors were to be elected, of whom nine would take office immediately and the remaining two would take office forthwith upon the filing and publication of the by-law increasing the number of Directors from nine to eleven.

The following persons were duly nominated, namely:

Georges Baussan, Fils, E. Garth Braund, Murray A. Cooper,
Mortimor S. Gordon, A. H. Graetz, Harry Harris,
H. W. Knight, Jr., Walter H. Knorr, William Plexman,
Samuel Ungerleider, Arthur Wheeler.

There being no further nominations, UPON MOTION regularly made,

seconded and unanimously carried, IT WAS DULY RESOLVED that nominations be closed.

The Chairman directed the Secretary to cast a single ballot for the election of those nominated, the election of the first nine nominees to take effect immediately and the election of the last two nominees to take effect forthwith upon the filing and publication of the by-law increasing the number of directors from nine to eleven as required by the laws of the Province of Quebec. The Secretary thereupon cast the ballot as directed, and the Chairman declared those nominated to be duly elected Directors of the Company to hold office until the next annual election of Directors or until their successors are elected or appointed subject to the provisions of the Company's by-laws and the laws of the Province of Quebec.

REMUNERATION OF DIRECTORS

UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that Directors' fees be limited to the sum of $100.00 for every meeting of the Directors personally attended by him, inclusive of today's meetings, and that the amount, if any, thereof be determined by the Board, and that each Director be paid all necessary and proper travelling expenses incurred by him in connection with and while engaged on the affairs of the Company.

APPOINTMENT OF AUDITORS

UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that Messrs. Thorne, Mulholland, Howson & McPherson be and they are hereby appointed auditors of the Company, to hold office until the next Annual Meeting of Shareholders, at such remuneration as may be agreed upon from time to time between the Board of Directors and the said Auditors.

APPROVAL OF ACTS AND PROCEEDINGS

UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that all acts, payments and proceedings of the Company by its officers and directors and all financial transactions as recorded in the books and records of the Company be and the same are hereby adopted, approved, ratified and confirmed.

"B"

PLAINTIFFS' EX. 18 FOR IDENT.

LE 31A (3-53)

(To be used in cases of companies incorporated under the Companies Act of Canada, Alberta, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, Quebec or Saskatchewan; in cases of companies incorporated by Special Act of Canada or any such Province, if Form LE 31 has required amendment this form also may need to be amended. A special form is provided for companies incorporated under the Companies Act of British Columbia.)

COMPANIES

RESOLUTION OF DIRECTORS REGARDING BANKING AND SECURITY

CONSOLIDATED HALLIWELL, LIMITED
(Name of Company)

Head Office: _____

INCORPORATED UNDER THE QUEBEC COMPANIES ACT

RESOLVED:

1. THAT THE ROYAL BANK OF CANADA (hereinafter called the "Bank") be and is hereby appointed the Banker of the Company.

2. THAT Any two of the following: Mortimer S. Gordon, Walter H. Knorr or Herman Keller or any one of the foregoing with Norman B. Mullen or Glenn W. Danks or any one of them or any one of the persons mentioned in Clause 3 hereof or any one of any persons from time to time designated in writing by the ~~President, Vice-President, Secretary~~ Treasurer or Secretary-Treasurer, ~~be and is hereby~~ authorized on behalf of the Company from time to time

(a) to deposit with or negotiate or transfer to the Bank (but only for credit of the Company) all or any cheques, promissory notes, bills of exchange, orders for the payment of money and other paper negotiable or otherwise, interest or dividend coupons and warrants, securities maturing or called for redemption, and the proceeds of any of them, and for such purpose to make, draw, endorse, sign, execute and deliver all or any of the foregoing or deliver all or any thereof to the Bank endorsed with the name of the Company impressed thereon by rubber stamp or otherwise; and

(b) to receive all paid cheques and vouchers and sign and deliver to the Bank the Bank's form of settlement of balances and release, and to arrange, settle, balance and certify all books and accounts between the Company and the Bank, and to receive all securities attached to drafts drawn on the Company to be delivered upon payment of the drafts and all commercial and other paper, and to sign and deliver to the Bank receipts for all or any of the foregoing.

3. THAT Any two of the following: Mortimer S. Gordon, Walter H. Knorr or Herman Keller or any one of the foregoing with Norman B. Mullen or Glenn W. Danks be and ~~are~~ is hereby authorized on behalf of the Company from time to time

(a) to make, draw, accept, endorse, sign and execute, under the corporate seal or otherwise, cheques, promissory notes, bills of exchange, orders for the payment of money and other instruments whether negotiable or not, contracts for letters of credit and forward exchange, and agreements obligating the Company to the Bank in respect of obligations or liabilities incurred or to be incurred by the Bank for the account or benefit of the Company;

(b) to borrow money from the Bank upon the credit of the Company in such amounts and on such terms as may be deemed expedient by obtaining loans or advances or by way of overdraft or otherwise;

(c) to mortgage, hypothecate, charge or pledge, or give security under The Bank Act or otherwise upon, all or any of the property, real and personal, immoveable and moveable, undertaking and rights of the Company, present and future, to secure all or any money borrowed or to be borrowed from the Bank, or obligations or liabilities of the Company, present or future, to the Bank, the nature and form of any such security and the rights, powers and authorities exercisable by the Bank or any person or persons thereunder or in respect thereof to be satisfactory to the Bank;

(d) to sign or execute, under the corporate seal or otherwise, and deliver all such assignments, transfers, conveyances, hypothecs, mortgages, charges, pledges, security under The Bank Act or other security, notices of intention to give security under section 88 of The Bank Act, promises to give security under The Bank Act, agreements, deeds, releases, discharges and other documents and writings as ~~they~~/~~he~~ in ~~their~~/~~his~~ discretion may consider necessary or useful in connection with the Company's business with the Bank or as the Bank may request;

(e) generally to exercise all rights, powers and authorities which the Directors might or could exercise under the authority of the Company's By-laws and Charter or Articles and Memorandum of Association and the laws governing the Company.

4. THAT the person or persons authorized by Clause 3 hereof, or the person or persons from time to time designated in writing by (a) the President or Vice-President and (b) the Secretary or Treasurer or Secretary-Treasurer, be and ~~is~~/~~are~~ hereby authorized on behalf of the Company from time to time to withdraw from the Bank all or any securities and property held by the Bank for safekeeping on behalf of the Company or as collateral security or otherwise and sign and deliver receipts therefor or to direct the Bank by written instructions signed by such person or persons to deliver all or any such securities and property to any person or persons named in such instructions.

5. THAT all instruments, whether negotiable or not, documents and writings made, drawn, accepted, endorsed, signed or executed as hereinbefore provided and delivered by any bearer thereof shall be valid and binding upon the Company, and the Bank is hereby authorized to act thereon and give effect thereto.

6. THAT each branch or agency of the Bank at which an account of the Company is kept be furnished with a copy, certified by the Secretary under the Company's seal, of this resolution, and with a list of all persons authorized by this resolution to act for the Company, and with written notice of any changes which may take place in such list from time to time (any such notice to be binding on the Bank only from the time when its receipt is duly acknowledged in writing), and with all designations of persons made pursuant to Clause 2 or Clause 4 hereof, and with specimens of the signatures of all persons so authorized or designated; and that this resolution shall remain in force and be binding upon the Company until a copy, certified by the Secretary under the Company's seal, of a resolution passed by the Directors of the Company repealing or replacing this resolution shall have been received by the manager of each such branch or agency of the Bank and duly acknowledged in writing, and that the said list with any changes notified and acknowledged as aforesaid and the said designations shall respectively remain in force and be binding upon the Company until written notice to the contrary shall have been received and acknowledged as aforesaid.

CERTIFICATE

It is hereby certified by the undersigned that the foregoing resolution was duly passed at a meeting of the Board of Directors of the above-named Company duly held on the 10th day of August 19 61, in accordance with the Charter and By-laws or the Memorandum and Articles of Association of the Company and the laws governing the Company and that the said resolution is in full force and effect.

AS WITNESS the corporate seal of the Company this 18th day of August 19 61

(If Company incorporated under The Alberta Companies Act, the President also must sign the certificate.)

(CORPORATE SEAL)

James U. Jay Jr
Assistant (Secretary)

PLAINTIFFS' EX 19 FOR IDENT. 11724

SOCIETE D'EXPLOITATION ET DE DEVELOPPEMENT
ECONOMIQUE ET NATUREL D'HAITI (SEDREN) S. A.

SOCIETE ANONYME AU CAPITAL DE $ 20.000.00
PORT-AU-PRINCE, HAITI

Cable Address : SEDREN
P. O. Box No. 515
Phone : 2019

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF SOCIETE D'EXPLOITATION ET DE DEVELOPPEMENT ECONOMIQUE ET NATUREL D'HAITI (SEDREN) S.A. HELD IN PORT AU PRINCE, AT THE HEAD OFFICE OF THE CORPORATION, on AUGUST 4, 1961.

Are Present:

M. Fortune L. Bogat - President
M. Georges Baussan Jr. -Secretary Treasurer

M. Bogat declares the meeting opened

Mr. Baussan states that some changes having to be made for the purpose of authorizing persons to sign checks drawn on the Company's accounts in the Marine Midland Trust Company of New York, he has received Power of Attorney on August 1st, 1961 from MM. Mortimor S. Gordon, Harry Harris and Adolph Graetz, all members of the Board of Directors, to act on their behalf at the meeting of this date.

Mr. Baussan states further that the qualified persons proposed by MM. Graetz, Harris and Gordon are:

the joint signature of any two of the following:

Mortimor S. Gordon - Walter H. Knorr - Herman Keller

or the signature of any one of the above with one of the following:

Norman B. Mullen or Glenn W. Danks

After deliberation, the Board of Directors unanimously has decided to authorize the following persons to sign checks drawn on the Company's accounts in the Marine Midland Trust Company of New York and this in the following manner:

the joint signature of any two of the following:

Mortimor S. Gordon - Walter H. Knorr - Herman Keller

or the signature of any one of the above with one of the following:

Norman B. Mullen or Glenn W. Danks

There being no further business, the meeting is adjourned.

FORTUNE L. BOGAT

BEST COPY AVAILABLE

PLAINTIFFS' EX 20 FOR IDENT.

173A

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

ANNUAL MEETING
OCTOBER 26, 1961

Certificate and Third Report of Inspectors

We, IRVING BALLEN and GLENN W. DANKS, do hereby certify and report that having first taken an oath faithfully to execute the duties of Inspectors at said meeting, with strict impartiality and in accordance with the best of our ability, we did hold and conduct a vote by ballot of the holders of shares of Common Stock of said Corporation present in person or represented by proxy at said meeting and entitled to vote thereat, upon a motion to adopt the following resolution:

> RESOLVED, that the issuance by the Corporation of 60,000 shares of its 5% Cumulative Preferred Stock ($25 par value) to Societe d'Exploitation et de Developpement Economique et Naturel d'Haiti and the transactions related thereto, all as set forth in the Proxy Statement dated September 28, 1961, be and hereby is ratified, affirmed and confirmed in all respects;

PLF EXHIBIT 10 S
FOR IDENTIFICATION
2/13/13 I. H. BENJAMIN

and that we received all votes cast on such motion by the holders of Common Stock of said Corporation present in person or represented by proxy and entitled to vote at said meeting; that when such vote was completed, we counted and ascertained the number of shares of Common Stock of said Corporation voting for and against the adoption of said resolution; that there were 2,043,129 shares of Common Stock of said Corporation issued and outstanding and entitled to vote at said meeting;

A period of discussion ensued during which Mr. Gordon, in response to inquiries made by stockholders, stated that thepurpose of the acquisition of Sedren was to obtain a controlled source of copper without the expenditure of great sums for exploration and development. He further stated that Sedren is now a low cost producer and that it is the opinion of the Company's engineers that the property was not properly managed prior to the takeover by the Company. However, in the short time that the Company has been managing the mine, it has been made into a profitable operation.

Mr. Gordon also pointed out that the Company is protected against expropriation and against non-convertibility of Haitian currency by guarantees of the International Cooperation Administration.

Following the discussion ballots were distributed to the stockholders. The Inspectors were directed by Mr. Gordon to receive the ballots, act as tellers and make their report on the vote. After allowing time for voting Mr. Gordon declared the polls to be closed. Thereafter the votes were tallied and the Inspectors submitted their report which showed that 1,266,533 votes were cast in favor of the adoption of the resolution and 34,131 votes were cast against the adoption of the resolution. Mr. Gordon thereupon declared the resolution adopted.

The next order of business was the proposal to elect auditors of the fiscal year ending June 30, 1962.

PLF'S EXHIBIT 184
10/31/73 RONALD

PLAINTIFFS EX. 21
FOR IDENT.

April 30, 1964

Mr. Mortimor S. Gordon, President
Continental Copper & Steel Industries
100 East 42nd Street
New York, New York

Dear Mr. Gordon:

Herewith my observations after the last trip to Haiti, my fourth of the year.

PRODUCTION

As previously noted, March production was poor. Only 20,692 tons were milled averaging 2.30% copper, to produce 1,161 tons of 37.89% concentrate containing 879,794 lbs. copper. To the end of March, 1964, 69,937 tons were milled at 2.20% copper, producing 2,837,580 lbs. copper, an average of 945.800 per month.

Production in April will be higher and an output of 1,050,000 lbs. is indicated. To April 26th 22,436 tons had been milled averaging 2.168% copper; 1091 tons of concentrate were produced with 41.01% copper; containing 895,178 lbs. copper. May production will be lower, because of the holidays; political events, Duvalier assuming a life-time presidency will probably mean a week of celebration and no work. Another rather disconcerting surprise factor in low output is the lower grade of ore being milled. Grade from 13-145 stope has fallen off but the big disappointment so far is the 1600 level. This has not come up to expectations and instead of 2.9% as estimated, production grade has been under 2.5% copper.

MINE

One gets the feeling, going through the mine, that it is fast approaching the end. There are very few working places to maintain the output of 1000 tons a day: and a large part of the mining is taking out remnants from the old stopes; borders; pillars; ore left in the foot or back. On the 1320 B shrinkage stoping continues; a raise has been holed to the surface. As the north end

is depleted and pulled down, ring drilling and long-hole blasting is planned. On the 1300 level aside from minor pillar production at 1326 the main putput is from 13-145 which is being drawn down; shrinkage of the north section will follow. "As soon as possible" development work will start during the main 145 drift north to prospect and develop the scattered ore sections shown in diamond drilling. On the 1500 the only activity is long-hole drilling from the level, with pack-sack drills, the floor pillars, of 1724 stope. This work is completely essential to the continuance of the 1700 output. On the 1600 level, stope 1623 is finally in production. And the level accounts for a third of the total production; four draw points are in operation; the stope is accessible by raise and ladders connecting to the 1500. Although this is supposed to be a high-grade area, average of ore drawn so far is low. Stope 1623 is a separate heading NW from incline shaft No.2. The main heading, which goes west and then swings north is being pushed ahead as fast as possible. The draw points of stopes 1626 and 1629 will be turned off as these areas are reached, and these stopes will be put into shrinkage production. At present the main heading is being advanced ten feet per day. The raise from the main shaft ore pocket is also connected, thus permitting much from the 1600 to be hoisted either via the main shaft or the new incline. A new sub-level drift will also be driven from this section to mine the ore immediately below old 1519 stope. As the floor pillars here are removed the main haulage will be lost. It therefore becomes necessary to drive a second main haulage way, about 300 feet, curving to the south of the existing haulage tunnel.

Summarizing, the end of the mine can be seen approaching rapidly. The bulk of main ore bodies have been depleted from the 1300 level; 1500 level and 1700 level; and existing mining might be termed scavenging the remnants. The main reserves are above the 1600 and these are being rapidly developed to mine out. Unless new ore bodies are found in 1964 mining operations will cease.

ORE RESERVES

Last November the ore reserve report prepared by Tom Heale showed 412,000 tons of ore averaging 2.51%. Since that time, to the end of April 136,710 tons have been mined, running 2.28%. A tabulation, showing what is estimated to be left in the various categories, as of April 30, 1964 is attached to this report.

It should be noted that per this original estimate the bulk of the reserve is listed at 195,147 tons, running 2.90% copper in the 1724 area. So far, this section has been disappointing. If the April 30 estimate is correct and no new ore found, reserves are adequate to supply the mill only to January 1965.

DRILLING PROGRAM

The Canadian Longyear have two drills on the property and a full crew of four operators. Drilling is being conducted on two shifts of ten hours each: 7AM - 5PM and 7PM - 5AM. So far progress has been rather slow because of difficulty in getting through over-burden, also the capping volcanics which are badly fractured. Using wire-line core removal means frequent core pulling in fractured rock;as every time pressure builds up with the water block core removal is necessary. Of the holes drilled to date: DDH-134 behind the mine dry went down 527 feet all in diorite. A few specs of chalcopyrite but no mineralization of note; DDH-135 down to 230 feet in volcanics, all caving and abandoned; DDH-136 up hill is on north side of valley is down 190 feet in siliceous diorite; DDH-137 has just been started and is down 40 feet in over-burden. (Hole 132 is an old one drilled 934 feet through the lower limestone and went 200 feet into diorite.) Because of the difficulties in trying to drill through the volcanics, heavier NV equipment for a larger hole is required; about one tong of this equipment is being sent for.

CASSEUS

Earlier in March instructions were given to Cook to proceed with hand-sorting tests of the Casseus ore; later a report on the test results was requested. The purpose was to determine if mine ore from the better sections, averaging say- 1.2% Cu. can be upgraded by hand-picking to commercial grade to say- over 2.5% Cu. As mechanical tests to upgrade the ore gave negative results this is about the only possibility left for setting up a commercial mining operation at Casseus. Unfortunately, practically none of the work requested was carried out. T. Neale sent men to bring back lump size pieces of Casseus ore as mined from the dumps. In the period since the exploration work stopped there,the coarse ore has largely decrepitated into coarse fines. Only samples of picked ore were brought back; these have been crushed down at the laboratory and are awaiting assay.

In conclusion, the writer feels a change of nomenclature for the Sedren operations is in order. For the past year it has been called a "thin ice" operation; i.e. earnings and production would be maintained only if some upset in operations was avoided which would "break the ice". I believe now a more applicable term is "tissue thin" operation.

Very truly yours,

George W. Tower

cc: Thomas J. Kennedy ✓

Enclosures

PLAINTIFFS' EX 22 FOR IDENT.

ANNUAL REPORT OF CONTINENTAL COPPER & STEEL INDUSTRIES, INC FOR THE YEAR 1965

Notes to Financial Statements

NOTE 1.

The valuation of the copper content of the inventories of the Hatfield Wire and Cable Division is determined on the "last-in, first-out" (LIFO) basis. During the year ended June 30, 1965 a reduction was effected in this portion of the inventories and, as a consequence, net income for the year was increased by approximately $272,000, equivalent to 13 cents per common share, on the basis of the quoted market price of copper at June 30, 1965.

Value of other inventories is determined mainly by the average cost method, although the "first-in, first-out" method is also used. All inventories are stated at the lower of aggregate cost or market.

NOTE 2.

The Company holds a $500,000 participation in bank loans to Eagle Lock Corporation, originally aggregating $850,000, reduced by payments to $700,000. The participation bears interest at 6⅛% per annum and is payable in semi-annual instalments of $29,000 beginning June 1, 1967 until June 1, 1975 when a final payment of $36,000 will be due. It is subordinate to present or future indebtedness of Eagle Lock Corporation to the bank, not to exceed $1,000,000.

Eagle Lock Corporation is a subsidiary of Penn-Akron Corporation which is also the parent of Woodside Precisionic Corporation. Each of these three companies has signed a guarantee of the liability of the other two companies to the bank. Eagle Lock has pledged as collateral for its present and future indebtedness to the bank its machinery and equipment, accounts receivable, inventory, 19,600 shares of Continental's Second Preferred Stock, 5% Series, and 15,160 shares of the capital stock of its parent, Penn-Akron Corporation. The Company's participation in the bank loans is covered by said guarantees and collateral.

Pursuant to an agreement which will expire October 31, 1965, the Company has furnished management services to Penn-Akron Corporation and its subsidiaries for a fee based upon the consolidated net income of those companies. During the year ended June 30, 1965, the Company earned fees of $21,274 under this agreement, which amount is included in other income. Certain officers and directors of the Company are also officers and directors of Penn-Akron Corporation.

NOTE 3.

Consolidated Halliwell Limited is a Canadian corporation whose principal asset is its wholly-owned subsidiary, Societe d' Exploitation et de Developpement Economique et Naturel de Haiti (Sedren) S.A., a company engaged in the mining and milling of copper concentrates in the Republic of Haiti. The Company owns 1,000,000 shares of common stock of Consolidated Halliwell, representing approximately 8% of that company's outstanding stock at June 30, 1965. This stock is traded on the Toronto Stock Exchange and its published quotation at June 30, 1965 was 36 cents (Canadian) per share. The aggregate value of the Company's investment based on this quotation was approximately $333,000 (U.S.). At June 30, 1964, the Company held 1,158,500 shares of this stock of which it sold 158,500 shares during the year ended June 30, 1965, approximately at cost.

The Company holds a 6% First Mortgage Obligation, maturing June 29, 1967, constituting a first lien on all of Sedren's real and immovable personal property in Haiti. This obligation, orginally in the amount of $1,500,000, payable in annual instalments of $250,000 on June 29 of each year, has been reduced by payments to a balance of $500,000 at June 30, 1965. The Company has guarantees from the Agency for International Development (Department of State) protecting it against losses of up to $575,000 should such losses result from expropriatory action in Haiti. The Company has contracts with Sedren under which it has been purchasing and will continue to purchase until December 31, 1966 all of Sedren's production of copper concentrates at a discount which varies with market prices but which has averaged in excess of one cent per pound of the copper content of such concentrates. During the year ended June 30, 1965, the Company earned a profit of $557,791 on the resale of these copper concentrates; this amount is included in other income.

NOTE 4.

The investment in and advances to Condominio Insurgentes, S.A. are recoverable from the net proceeds of sales, on the instalment basis, of space in a cooperative office building in Mexico City, which is that company's principal asset. The obligations of Condominio Insurgentes, S.A. to the Company have been subordinated to a bank loan payable by Condominio, originally in the amount of $690,000, which had been reduced by bi-monthly payments of $40,000 to a balance of $450,000 at June 30, 1965. The Company has guaranteed this loan, plus accrued interest. It is a renewal of a loan made on May 31, 1960 in the original amount of $1,250,000. The Company has a one-third interest in Condominio and holds shares representing the remaining two-thirds interest, which it received as collateral for amounts owed the Company by the owner of these shares, which amounts are considered uncollectible and have been written off.

A substantial portion of the building had been sold by May, 1962 when an earthquake damaged

PLF EXHIBIT 65
FOR IDENTIFICATION
6-7-67 I. H. BENJAMIN

PLAINTIFFS' EX. 23 INEVID

CONCENTRATES AGREEMENT

THIS AGREEMENT made as of the 9th day of July, 1964, by and between:

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.
100 East 42nd Street, New York 17, N.Y.,U.S.A.

(Hereinafter referred to as "Seller")

and

NIPPON MINING COMPANY, LTD.
3 Akasaka Aoicho, Minato-ku, Tokyo, Japan

(Hereinafter referred to as "Buyer")

WITNESSETH THAT:

Seller agrees to sell and Buyer agrees to buy the material hereinafter described, upon the terms and conditions hereinafter set forth:

MATERIAL — Copper Concentrates as produced by La Societe d'Exploitation et de Development Economique et Naturel d'Haiti (Sedren) S.A. at its mine in the Republic of Haiti.

QUALITY — Typical and approximate assays of the concentrates are:

Cu	35% per short dry ton
Ag	6.0 ozs per short dry ton
AU	0.5 ozs per short dry ton
Fe	27% per short dry ton
S	33% per short dry ton
Si oz	2.2% per short dry ton
CA O	1.2% per short dry ton
H_2O	6-7% per short dry ton

Copper concentrates shall be in condition safe from spontaneous combustion.

QUANTITY & DURATION — Quantities of a minimum of sixty-six and two thirds percent (66-2/3%) and, at Seller's option, up to a maximum of one hundred percent (100%) of the total concentrate production of the mine, during the two and one half year period commencing July 1, 1964 to December 31, 1966, or in the event Sedren shall cease operations at the mine

EXHIBIT 45
IDENTIFICATION
I. H. BENJAMIN

prior to said date; then until the date on which operations shall cease. Seller shall furnish suitable data periodically of the mine's rate of production.

SHIPMENT Shipment shall be made currently and as often as Seller finds practical, but in any case at intervals not exceeding three months, unless unusual circumstances involving contingencies beyond the control of Seller, as hereinafter defined, shall prevent such shipment. Seller shall notify Buyer, 20 days prior to each shipment, the shipping quantity and the name of the vessel with her E.T.D. from Gonaives of the next scheduled shipment. When so notified Buyer shall notify Seller, 15 days prior to each shipment the port of discharge and the name of receiving smelter for the respective shipments.

DELIVERY — C I F to one main port in Japan, to be designated by Buyer. If Steamer cannot discharge at port so declared, Buyer, Seller and steamer owner shall agree on an alternative port, or in the absence of such agreement, the concentrates shall be discharged C I F at Yokohama or Kobe.

Seller agrees that in case any individual shipment should exceed 4,000 metric tons net weight, Buyer may request discharge at two ports in Japan, if necessary, without any extra charge to Seller for freight and insurance.

The material shall be discharged from each steamer, at Buyer's expense, with customary quick dispatch. (C. Q. D.)

DESTINATION — The concentrates are destined for Buyer's smelters Hitachi and/or Saganoseki.

PRICE

The price of the material shall be the sum of the payments less the sum of the deductions as specified below.

PAYMENTS

Copper: Deduct one unit from the full copper content ascertained by assaying and pay for 100% of the remaining copper at the daily net export refinery quotations for electrolytic copper, as published in the Engineering and Mining Journal Metal and Mineral Markets, averaged over the quotational period, less one cent per pound of copper paid for.

Silver: If thirty (30) grams per net dry Metric ton or more, pay for 90% of the silver content at the average of prices paid by Handy and Harman in settlement of silver contained in unrefined silver-bearing materials (currently at a discount of four-tenths of a cent per Troy ounce from the published quotations for refined bar silver) averaged over the quotational period.

Gold: If one (1) gram per net dry metric ton or more, the gold shall be paid for at the U. S. Treasury net price (at present $34.9125) in accordance with the following scale:

1 gram and above, but less than 3 grams	90%
3 grams " " " " " 5 grams	94%
5 grams " " " " " 10 grams	95.
10 grams " " " " " 20 grams	96.
20 grams " " " " " 30 grams	97.
30 grams " " " " " 50 grams	97.
50 grams and above	98%

The quotational period for copper, silver and gold to be used for final settlement shall be the calendar month commencing on the first day of the

month during which the carrying vessel arrives at the first port of discharge in Japan. For this purpose the date on which the vessel reports at customs at the port of discharge shall be taken as the date of arrival.

DEDUCTION

DEDUCTION

Treatment Charge: $5.50 (five dollars and fifty cents) U. S. Currency per metric ton, net dry weight, delivered C I F Japanese port.

FINAL WEIGHING, SAMPLING, MOISTURE DETERMINATION

The material shall be weighed and sampled and moisture shall be determined at the Buyer's smelters in Japan in accordance with the customary manner free of expense to Seller. The weight and moisture figures thus established when approved by Seller's representative, shall govern as final hereunder. Seller has the right to have a representative present during weighing, sampling and moisture determinations at Seller's expense. These operations will be carried through as quickly as possible without undue delays and in a manner satisfactory to Seller's representative. From the samples taken at Buyer's smelters, one shall be forwarded to Seller, one to Buyer and one to Ledoux & Co.,Inc., 359 Alfred Avenue, Teaneck, New Jersey,U.S.A. to be held in the event an umpire assay is required.

ASSAYING

Assays shall be made independently by Buyer and Seller on a dried sample and the results shall be exchanged in the customary manner. The average of the analyses shall govern the settlement between Buyer and Seller provided

the following splitting limits are not exceeded:

Copper	.3%
Silver	30 grams per dry metric ton
Gold	.5 grams per dry metric ton

If the splitting limits are exceeded, an umpire assay shall be made by Ledoux & Co., Inc. Settlement shall be made at the mean of the umpire assay and the near party's assay, provided that the umpire assay lies between the two parties' assays. If the umpire assay falls outside the two parties, settlement shall be made at the middle one of the three assays. The cost of the umpire shall be for the account of the party whose result is furthest from that of the umpire; but should the umpire's result be the exact mean of Buyer and Seller, the cost of the umpire shall be divided equally between Buyer and Seller.

PAYMENT Buyer shall open irrevocable letters of credit, confirmed by a Prime New York Bank (the bank subject to Seller's approval), in favor of Seller within four days after Seller has notified Buyer of each tentative steamer booking. Seller agrees that Buyer need not open such letters of credit so as to reach Seller more than fifteen days prior to the expected loading date of such steamer as notified by Seller to Buyer. These letters of credit shall cover, in amount, the provisional 100% value of each shipment calculated at the then prevailing metal quotations and shall be available as follows:

A) 90% of the provisional value shall be paid upon presentation by Seller of (1) full set of clean on board ocean bills of lading (charter party bills of lading shall be acceptable); (2) provisional weight and assay certificates issued by the mine or the Seller; (3) Seller's provisional invoices; (4) insurance certificate or policy in duplicate.

B) If 150 days after steamer's sailing date settlement weights and assays should not be available, a second provisional payment of the full balance shall be made on the basis of the applicable metal quotations and such other data as are available.

C) The balance shall be available upon presentation of Seller's final invoice, outturn weight certificates and settlement assay certificates. In the event merchandise is lost at sea, final payment shall be made immediately on the basis of the weights and assays determined before shipment and on the basis of the quotations of the month of the scheduled arrival of the steamer in Japan.

DEFINITIONS

Metric ton	:	2,204.6 lbs.
Long ton	:	2,240 lbs.
Ounce	:	A troy ounce of 31.1035 grams
Unit	:	One hundredth part of a metric ton.
Dollars & Cents	:	U. S. A. Currency

OTHER CONDITIONS

A. Insurance. Seller shall insure all the copper concentrates to be shipped under this contract, from the time it is loaded on board ocean

186-A

vessel at the loading port in Haiti through to the destined Buyer's smelter interior in Japan via discharging port in Japan for 110 percent of the net C I F main Japanese port value of each shipment to be calculated and payable on the basis of the weights and assays determined before shipment and also on the basis of the metal quotations of the calendar month of the carrying vessel's arrival, or in the event of total loss of shipment, of the calendar month which includes the last-known estimated date of the carrying vessel's arrival at the first port of discharge in Japan against the following risks:

1. Including particular average
2. Heating and spontaneous combustion, even when caused by inherent vice;
3. Strikes, riots and civil commotions;
4. War risks.

The insurance premium for Marine Risks is for Seller's account. The existing insurance premium for War Risks including SRCC of $0.0357 for $100 is for Seller's account while any increase in this premium for War Risks shall be for Buyer's account.

B. Freight Rate. Seller shall pay ocean freight rate up to U. S. $14.50 per Wet Long Ton FIOT. The Buyer agrees to absorb any additional freight cost or provide ocean freight space at a rate not exceeding $14.50 per wet long ton FIOT with other terms and conditions of such freight space to be in accordance with Seller's charter terms and satisfactory to Seller.

C. Taxes All taxes imposed now or hereafter by the Republic of Haiti on these Copper Concentrates shall be for Seller's account.

All taxes imposed now or hereafter by the Government of Japan on these Copper Concentrates shall be for Buyer's account.

D. Licenses If at any time during the period covered by this contract the Government of Japan prohibits the import or the Government of the Republic of Haiti prohibits the export of Copper Concentrates, the contract shall be suspended for the duration of such prohibition. In the former case, Seller, and in the latter case, Buyer, shall have the right to extend the contract for a period equivalent to the suspension. If this right is not exercised by either party, then the quantities unshipped during such period shall be considered as cancelled.

FINANCING & EXPLORATION

It is agreed that after signing of this contract Buyer and Seller shall enter into negotiations to endeavor to form a joint exploration group to finance the prospecting and development of additional ore outside of the existing Sedren mining area.

FORCE MAJEURE

If any of the parties shall be delayed or prevented from performing any of the agreements which they have herein agreed to perform, by reason of any cause beyond the control of such party, such delay or failure of performance shall be excused, and the period of such delay

188-1

shall be treated as a nullity in calculating the terms of this agreement or the time for the performance of any of the provisions thereof, and none of the parties shall have any demand, claim or cause of action for damages therefor arising therefrom, and such claims, demands or causes of action are hereby expressly waived by all of the parties hereto. The expression "causes beyond the control of such party" shall be construed to include inter alia, fire, strikes, riots, the elements, acts of God or the public enemy, accidents to machinery or other equipment, failure to receive materials from suppliers, acts of the Government (including but not restricted to any preference, priority or allocation order) or any other governmental agency having jurisdiction thereof, floods, epidemics, quarantine, restrictions, freight embargoes, unusually severe weather and delays by subcontractor, delays or failure of performance by common carriers, but this definition does not and shall not be deemed or construed to limit in any way the generality of the expression "causes beyond the control of such party"

JURISDICTION

This agreement shall be construed in accordance with and the rights of the parties shall be governed by the laws of the State of New York.

ARBITRATION

Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration in the City and State of New York in accordance with the Rules

of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

IN WITNESS WHEREOF, the parties hereto, have by their authorized officers, hereunto set their hands and their corporate seals, this 9th day of July, 1964.

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

ATTEST:

By _____

_____
Secretary

NIPPON MINING COMPANY, LTD.

ATTEST:

By Kunito Yajima

_____
Secretary

PLAINTIFFS' EX. 24 IN EVID

CONVERSION AGREEMENT

THIS AGREEMENT made as of the 9th day of July, 1964, by and between:

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.
100 East 42nd Street, New York 17, N.Y., U.S.A.

(hereinafter referred to as "Consignor")

and

NIPPON MINING CO., LTD.
3 Akasak Aoicho, Minato=ku, Tokyo, Japan

(hereinafter referred to as "Consignee")

WITNESSETH THAT:

WHEREAS Consignor desires that Consignee shall process the copper concentrates hereinafter described into Electrolytic Copper Wirebars hereinafter described for reshipment by Consignee from Japan to the destination to be designated by Consignor, and

WHEREAS Consignee is qualified by extensive business experience in Japan to supervise and assume responsibility for all phases of importation, processing and reshipment from Japan of the materials of Consignor, and desires to process such concentrates,

NOW, THEREFORE IT IS AGREED, that Consignee shall receive from Consignor the concentrates hereinafter described, to be processed by Consignee into Electrolytic Copper Wirebars hereinafter described, and returned to Consignor, in accordance with the terms and conditions hereinafter set forth:=

I. CONCENTRATES

1. MATERIAL Copper concentrates as produced by La Societe d'Exploitation et de Development Economique et Naturel d'Haiti (Sedren)S.A. at its mine in the Republic of Haiti.

PP EXHIBIT 44
FOR IDENTIFICATION
11/7/72 I. H. BENJAMIN

2. QUALITY — Typical and approximate assay of the concentrates is:

Cu:	35% per short dry ton
Ag:	6.0 ozs per short dry ton
Au:	0.5 ozs per short dry ton
Fe:	27% per short dry ton
S:	33% per short dry ton
SiO2	2.2% per short dry ton
CaO:	1.2% per short dry ton
H_2O	6-7% per short dry ton

Copper concentrates shall be in condition safe from spontaneous combustion.

3. QUANTITY & DURATION — Quantities, at Consignor's option, up to thirty-three and one third percent (33-1/3%) of the total concentrate production of the mine, during the two and one half year period commencing July 1,1964 to December 31,1966, or in the event Sedren shall cease operations at the mine prior to the said date, then until the date on which operations shall cease.

4. SHIPMENT — The concentrates shall be shipped from Gonaives Haiti to a main Japanese port designated by Consignee, 20 days prior to each shipment, the quantity of the concentrates to be shipped under this contract and the name of the vessel with her ETD from Gonaives for that shipment. When so notified Consignee shall notify Consignor, 15 days prior to each shipment, the port of discharge and name of receiving smelter for the respective shipment.

5. DELIVERY — The concentrates shall be delivered by Consignor C. I. F. main Japanese port designated by Consignee, berth terms. Within ten days after each shipment of the concentrates, Consignor shall deliver to Consignee or

192-A

his agent in New York all the shipping documents for the lot, consisting of a full set of clean on board ocean bills of lading, provisional weight and assay certificates issued by the mine or Consignor, and Consignor's provisional invoices.

6. WEIGHING, SAMPLING, MOISTURE DETERMINATION — The concentrates shall be weighed and sampled and moisture shall be determined at the Consignee's smelter(s) in Japan in accordance with the customary manner free of expense to Consignor, and the weight and moisture figures thus established when approved by Consignor's representative shall govern as final hereunder. Consignor has the right to have a representative present during weighing, sampling and moisture determination at Consignor's expense. These operations will be carried through as quickly as possible without undue delay and in a manner satisfactory to Consignor's representative. From the samples taken at the Consignee's smelter(s) one shall be forwarded to Consignor, one to Consignee and one to Ledoux & Co.,Inc., 359 Alfred Ave., Teaneck, N.J.,U.S.A., to be held in the event an umpire assay is required.

7. ASSAYING — Assays shall be made independently by Consignor and Consignee on a dried sample and the results shall be exchanged in the customary manner. The average of the analyses shall govern the settlement between Consignor and Consignee provided the following

193-A

splitting limits are not exceeded:

Copper	0.3%
Silver	30 grams per dry metric ton
Gold	0.5 gram per dry metric ton

If the splitting limits are exceeded, an umpire assay shall be made by Ledoux & Co.,Inc., 359 Alfred Ave., Teaneck, N.J., U.S.A. Settlement shall be made at the mean of the umpire assay and the nearer party's assay, provided that the umpire assay lies between the two parties' assays. If the umpire assay falls outside the two parties' assays, settlement shall be made at the middle one of the three assays.

The cost of the umpire shall be for the account of the party whose resultis further from that of the umpire; but should the umpire's result be the exact mean of Consignor's and Consignee's, the cost of the umpire shall be divided equally between Consignor and Consigne

II. REFINED METAL

1. DESCRIPTION & GRADE — Electrolytic Copper Wirebars of about 120 kg. each, and conforming to the specification A.S.T.M. B5-43.

2. QUANTITY — The quantity of the refined metal to be returned by Consignee to Consignor shall be fixed, for each shipment of the concentrates, at the ninety-seven percent (97%) of the full copper content calculated on the basis of the final dry net weights and final assays of the concentrates determined in accordance with clause "I. CONCENTRATES 6. WEIGHING, SAMPLING, MOISTURE DETERMINATION & 7. ASSAYING" hereof.

3. DELIVERY — The refined metal to be returned by Consignee to Consignor shall be placed F.O.B. vessel at

Yokohama or Kobe, Japan, at Consignee's option which shall be exercised and declared to Consignor on or before 20 days prior to each shipment.

4. SHIPMENT The refined metal to be returned to Consignor shall be shipped from Yokohama, or Kobe, Japan respectively, to the destination to be designated by Consignor 15 days prior to each shipment, by the vessel for which freight shall be engaged by Consignor.

Consignee shall return the refined metal to Consignor on or before fifty (50) days after the date of arrival of the carrying vessel of the Concentrates pertaining to the returnabl metal, at the port of discharge of the concentrates in Japan. For this purpose the date on which the vessel reports at customs at the port of discharge shall be taken as the date of arrival. In the event, however, that the quantity of the concentrates of any shipment exceeds 500 wet metric tons, then the quantity of the refined metal to be returned

during a given calendar month to Consignor shall be equivalent to the returnable quantity for 500 wet metric tons of the concentrates. In any event the total quantity per month of the refined metal returnable under this agreement shall be limited at or within the quantity equivalent to 500 wet metric tons of concentrates. If Consignor requests return of refined metal in amounts equivalent to 500 wet metric tons of concentrates over an extended period of months, then Consignor

must furnish Consignee with a production schedule from the Sedren mine establishing that the requested return of refined metal will not exceed one-third of the total production of concentrates.

Should the final assay of the concentrates be not available in time for returnable date of the refined metal thereof, Consignee may ship the refined metal in such quantity as being calculated on the basis of the lower assay figure among both parties, and make up for the deficiency by next shipment of the refined metal, when found necessary.

5. INSPECTION — The refined metal shall be weighed prior to each shipment at the port of loading by the Japan Marine Surveyors & Sworn Measurers' Association, whose finding as certified by its weight certificate shall be taken as final. Consignee shall furnish Consignor with Consignee's inspection certificate, in duplicate for the refined metal for each shipment, which shall be taken as final.

III. PROCESSING CHARGES

1. PROCESSING CHARGES — Consignor shall pay Consignee a processing charge of US $48.00 per metric ton of returnable copper, which is to cover such charges as smelting and refining charges of the concentrates, inland transportation charges of the concentrates and refined metal, storage of the concentrates and refined metal covering the period from the date of delivery of the

196A

concentrates to the date of shipment of the refined metal, provided that gold and silver contents in the concentrates shall be paid for by Consignee to Consignor according to the clause "2. PAYMENT FOR GOLD & SILVER" as hereinafter described.

2. PAYMENT FOR GOLD & SILVER

GOLD: If one (1) gram per net dry metric ton or more gold is contained in the concentrates, such gold content shall be paid for at the U.S. Treasury net price (at present US $35.00 per troy ounce, less 1/4%) in accordance with the following scale:

1 gram or more, but less than	3 grams	90%	of the conte
3 grams "	5 grams	94%	"
5 grams "	10 grams	95.5%	"
10 grams "	20 grams	96.5%	"
20 grams "	30 grams	97%	"
30 grams "	50 grams	97.5%	"
50 grams "		98%	

Should any decree or regulation of the Government of Japan prevent Consignee from purchasing the whole or any portion of the said gold, Consignee may notify Consignor to such effect as soon as possible and return such gold, in the form of fine gold bar, to Consignor F.O.B Tokyo International Airport 90 days after the date of arrival of the carrying vessel of the concentrates at the first port of discharge i Japan, subject to the refining charge of two cents per gram of returnable gold, which shall be paid by Consignor to Consignee prior to shipment of returnable gold.

SILVER: If thirty (30) grams per net dry metric ton or more silver is contained in the concentrates, 90% of the silver content shal

1977

shall be excused, and the period of such delay

be paid for at the average of prices paid by Handy & Harman in settlement for silver contained in unrefined silver-bearing materials (currently at a discount of four-tenths of a cent per troy ounce from the published quotations for refined bar silver) averaged over the quotational period.

Should any decree or regulations of the Government of Japan prevent Consignee from purchasing the whole or any portion of the said silver, Consignee may notify Consignor to such effect as soon as possible and shall return such silver, in the form of refined bar silver, to Consignor, F.O.B. vessel at main Japanese port, 90 days after the date of arrival of the carrying vessel of the concentrates at the first port of discharge in Japan, subject to the refining charge of US $1.00 per kilogram of returnable silver, which shall be paid by Consignor to Consignee prior to shipment of returnable silver.

QUOTATIONAL PERIOD: For the payable gold and silver contents the quotational period shall be the calendar month commencing on the first day of the month during which the carrying vessel of the concentrates arrives at the first port of discharge in Japan. For this purpose the date on which the vessel reports at customs at the port of discharge shall be taken as the date of arrival.

1984

3. METHOD OF PAYMENT

Consignor shall open an irrevocable letter of credit in favor of Consignee, payable in United States of America Currency, or remit

to Consignee, prior to each shipment of returnable metal, an amount equivalent to the sum of the pertaining processing charges for that shipment less the sum of the payment for gold and silver contained in the pertaining concentrates.

Such letter of credit or remittance from Consignor to Consignee shall be payable against Consignee's sight draft accompanied by the following documents:

Full set of clean on board ocean Bill of Lading made out to order of shipper and blank endorsed, and marked "Freight Collect".
Consignee's or Consignee's agent's invoice.
Consignee's calculation sheet of the processing charges and deductible amount for payment for gold and silver.
Consignee's inspection certificate, in duplicate.
Weight certificate by Japan Marine Surveyors & Sworn Measures' Association, in triplicate.

IV. OTHER TERMS AND CONDITIONS

1. OWNERSHIP AND RISK The ownership and risk of the concentrates to be delivered by Consignor to Consignee, and of the refined metal to be returned by Consignee to Consignor shall, at all times, be borne exclusively by Consignor. Consignee shall take good care and custody of the concentrates after being delivered and of the refined metal until loading on the vessel to the extent the insurance company covers the risk.

Should the whole or any portion of the concentrates or the returnable metal be lost during transport and not be delivered, such lost quantity of the merchandise will not have to be replaced by Consignor, or respectively Consignee, as the case may be, and the

loss will be recoverable from insurance by and for account of Consignor.

2. INSURANCE: Marine, War Risk and Inland Insurance coverage for the concentrates and the returnable metal shall be effected by and for account of Consignor.

13. ACKNOWLEDGEMENT: This contract is subject to approval of import and export of the concentrates and the refined metals on both sides by the Governments of Japan and of the Republic of Haiti.

14. DEFINITION:

Metric ton:	22,204.6 lbs.
Long ton:	22,240 lbs.
Ounce:	Attroy ounce equivalent to 31.1035 grams
Dollars & Cents:	U.S.A. Currency.

15. FORCE MAJEURE: If any of the parties shall be delayed or prevented from performing any of the agreements which they have herein agreed to perform, by reason of any cause beyond the control of such party, such delay or failure of performance shall be excused, and the period of such delays shall be treated as a nullity in calculating the term of this agreement or the time for the performance of any of the provisions thereof, and none of the parties shall have any demand, claim or cause of action for damages thereof arising therefrom, and such claims, demands or causes of action are hereby expressly waived by all of the parties hereto. The expression "causes beyond the control of such party" shall be construed to include, inter alia, fire, strikes, riots, the elements, acts of God or the public enemy, accidents to machinery or other equipment,

710-A

failure to receive materials from suppliers, acts of the Government (including but not restricted to any preference, priority or allocation order) or any other governmental agency having jurisdiction thereof, floods, epidemics, quarantine, restrictions, freight embargoes, unusually severe weather, and delays by subcontractor, delays or failure of performance by common carriers, but this definition does not and shall not be deemed or construed to limit in any way generality of the expression "causes beyond the control of such party".

6. JURISDICTION — This agreement shall be construed in accordance with and the rights of the parties shall be governed by the laws of the State of New York.

7. ARBITRATION — Any controversy or claim arising out of or relating to this contract or the breach thereof, shall be settled by arbitration in the City of and State of New York in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

IN WITNESS WHEREOF, the parties hereto have, by their authorized officers, hereunto set their hands and their corporate seals, this 9th day of July, 1964.

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

By _____

ATTEST:

_____
Secretary

NIPPON MINING COMPANY, LTD.

By Kunito Yajima

ATTEST:

_____
Secretary

PLAINTIFS' EX. 25 IN EVID. 202A

1 OF 2 PAGES

CCS

PROFITS EFFECTED ON PURCHASE OF CONCENTRATES FROM SEOREN, S.A.

SHIPMENT NO.	1 SHIPPING PROFIT	2 DISCOUNT	3 TOTAL
1	—	2544415	
2	—	2500085	
3	—	1462885	
4	—	1619963	
5	—	1007453	
6	—	1306672	
7	—	2177974	
8	—	1316835	
9	—	1334225	
10	—	2264873	
11	—	1830657	
12	—	1854635	
13	—	1445101	
14	—	1111407	
15	—	1971283?	
16	—	747368	
17	—	1271318	
18	—	1900234	
19	—	1471297	
20	—	5799125	
21	—	8205625	
22	—	3011100	
23	—	1099600	
24	—	1114596	
25	—	1258547	
26	—	1264946	
27	—	3256340	
28	2961325	1484176	
29	578645	1358369	
30	8790019	16578?6	
31	471596	1861027	
32	422271	1410576	
33	17148080	16426598	
34	3156655	12982990	
35	6371855	19274?11	
36	3830745	17215983	
37	2415131	11436107	
38	PURCHASED FOR HATFIELD	1768517	
39	2364716	10935697	
40	PURCHASED FOR HATFIELD	10649475	

PLF EXHIBIT 47
FOR IDENTIFICATION
12-27

5-17-70

	1	2	3	4	5	6
	SHIPPING PROFIT	DISCOUNT	TOTAL			
41	225479	1044057				
42	1467067	1506615				
43	906005	967312				
44	218447	901067				
45	107035	660248				
46	184673	936918				
47	202524	978270				
48	143638	781057				
49	211265	1099103				
50	190422	1058847				
51	241248	1211250				
52	392114	938970				
53	1491586	1429302				
54	3309891	1549972				
55	3605017	1288666				
56	12384497	1748641				
57	19973833	1626668				
58	854465	1293935				
TOTAL	139497740	85987997	225485737			

PLAINTIFFS' EX 26 FOR IDENT. 204A

CONSOLIDATED HALLIWELL LIMITED

and its consolidated subsidiary

Year	Loss for Year
(Year ends Dec. 31)	
1962	$334, 477.95 profit (a) (b)
1963	447, 219.25 profit (b)
1964	1,164, 280.80
1965	1,142, 891.00
1966	1,169, 076.00
1967	1,674, 931.00
Total Net Loss:	$4,369, 481.60

(a) Excludes loss on sale of investments $355,142.88

(b) The notes to the Consolidated Financial Statement of Halliwell for the year ending December 31, 1964, states:

AMORTIZATION AND DEPRECIATION POLICY:

> The company commenced amortization of deferred exporation, development and administration expenses and depreciation of fixed assets January 1, 1964 at a rate of 20% per annum on a straight line basis. Amortization and depreciation have not previously been provided as it was the policy of the company not to commence write-offs until expiration of the first three years of commercial operations, during which time it was exempt from Haitian income tax.

(Source: Annual Reports of Consolidated Halliwell Limited)

PLAINTIFFS' EX. 27 FOR IDENT.

205A

(Consolidated Hallwell Limited (N.B.)

Directors meeting, Wednesday, April 12, 1967, 10:30 A.M.

Directors present: Wilmot Cooper, R.D. Ball, D.W. Knight, A.M. Haetz, G.W. Ball, W.H. Knox, A. Wheeler, H. Bausman, S. Ungerleider

Chairman: Cooper
Secretary: Ball

Prior to the opening of the meeting the Chairman, Wilmot Cooper explained to the outside directors the effect of the memorandum dated April 5/67 between the Company, P.L.S and Seaboard.

M/r. Wortman & Gordon then entered the meeting

The Chairman advised the meeting that the only business to be considered at this meeting was the memorandum dated April 5/67. The Chairman reviewed the memorandum point by point. He stated that the result of the price averaging would be that Sudan would receive 41.8¢ per pound of copper (recent prices) before any charges. He reported that the net price to Sudan would make it a marginal producer or a losing proposition and therefore inadequate.

Mr. Gordon stated that under the 1959 agreement the net price to be received would only be 29¢ to Sudan. He stated that the price was therefore in favour of Sudan and against CMA. He stated that CMA was receiving 12¢ per pound and

pointed out that nobody else was conducting I.L. W.U. Knox stated that the operating cost for labor was 35¢ per pound nearly.

Based on his calculations Knox outlines that at 1.3% grade copper break even point was 41¢ per lb and at 1.7% grade copper break even point was 36.58¢ per pound.

Cooper states that operating costs can be reduced in the area of wages, efficiency and better maintenance and supervision etc; however the Gov't resists any action to reduce no. of employees. He states that the situation in Zaire defies all logic - ridiculous to deal with. Gov't. very some political pressure. He pointed out as a example the new doctor who had been hired - because he was not a local doctor they scared the hell out of him and he quit 3 days after being hired. Cooper stated that it was ridiculous.

Gordon stated that then London agents had advised OCCL to go start @ L.M.E. of 350. He stated that the problem was not OCCL but the high cost of the Kolwezi operation. Hasty outlines power problem. Gordon stated that the problem of the Kolwezi operation were the high costs

206-A

Gordon states that very little hope Sedco will be able to deliver 80,000,000 pounds. C.P.S is giving a good deal to Sedco and insists that agency fee will be 2%. Remote possibility that agency commission will ever be received by C.C.S.

Gordon states that new deal will take $8 to 10,000,00 out of C.C.S's treasury. What more can be given and get approval from his Board. If the world price was 37¢ to 38¢ Sedco would not exist. C.C.S is giving Sedco 1 to 1½ years to get its affairs in shape. He states did he has S.E.C. reports to make, queries to answer etc.

Gordon concedes that development and exploration should not apply to C.N.E.S.A. Concession. Gordon states that he wants development in the Sedco concession area. Ball and Knight question why $200,000 amount outlined in item 3. Gordon insists on the amount being spent because it is C.C.S's money and if it is not spent it will go back to C.C.S. Cannot put the spending of which would be up to the Board. Gordon states that the fund is for the protection of C.C.S. for corporate justification - without fund C.C.S. will not agree.

Gordon states that after deal is signed C.C.S.

207A

people will resign - they will not stand for re-election. He stated that C.P.S. has never ever managed the Company.

Gordon asks where the Chairman expects to get money. He states that the way venture is run it will become bankrupt. Cooper states that from 1961 to 1965 C.P.S. was running the Company.

Gordon states that he is not finding fault with anybody nor will he criticize.

Bell states that in his opinion all the directors should consider memorandum as it affects the Company and should not be elected in their respective other positions. Bell states that in his opinion the deal is not a good one for the Company and cannot see how Company will generate funds if passed. He also states that in his opinion the Company is now insolvent. He asks who will generate funds for Company. If not forthcoming the Company should repudiate 1959 agreement. Gordon states C.P.S. will not loan any further funds.

Gordon states that he promises the Company the finest law suit in the States if the Board moves to repudiate 1959 agreement.

208A

Copper states proven reserves as of Dec 31, 1966
after 10% dilution

Proven 263,500 Tons - 1.64% copper
Inferred 331,600 " - 1.58% "

Included in 263,500 Tons are 263,000 Tons grading 1.9% copper. Copper states that approximately 73,550 Tons have been mined in the 17-43 stope grading 2.2% since year end. Hoda states that this mean the Company has 278,000 Tons of 2% ore therefore in place or 1.8% after dilution.

Bell argues that due to the location of the reserves tonnage of 18,000 Tons per month cannot be attained and copper production of 500,000 pounds of copper per month will not be produced. Ore under 1700 level - underground. Bell states it is his opinion that the new deal proposed will not make money for Company but only for U.S.

Hoda followed a lengthy discussion regarding reserves and profit potential to be taken under the new deal.

Bell states that in the opinion of U.S. Counsel for the Company the 1959 agreement could be

concentrates, 90% of the silver content shal.

deemed to have been "frustrated". He outlines the consequences which could result if new agreement was ratified.

Gordon states that C.C.A is working then back of the Consolidat deal. He stated that C.C.A. had not managed the Company for the last 1 to 1½ years. Gordon states C.C.A is out - big brother deal over.

Gordon states that under proposed deal the Company can generate enough money to meet its commitments even though it is a high cost operation. He states that problems are not insoluble.

Gordon states he is wasting time at the meeting and will leave in a few minutes.

Gordon states that C.C.A will move out of Yogul claims not vested lands. Knight states that Yogul will not advance any funds to the Company.

Gordon states to get vote on memorandum of Agr. 1967

Moved by G. Bell Seconded by D.W. Knight that meeting be adjourned until 2:00 P.M.

210-A

Re-adjournment 2:15. All Boards present & also N. Keller, Counsel for C.C.S. Davis requests that Cooper stay in the Chair.

Gordon wants to delete item 4 from memorandum of April 5/67. Knight states that Mogul will hold a directors meeting to consider agreement. Gordon asks Knight if Mogul will stand back. Knight states that Mogul will not agree to memorandum as it is outlined at the present time. Gordon states that memorandum should be considered without item 4 and item 9 amended.

Bell stated that the memorandum would be submitted to the Mogul Board for approval. Gordon asks Bell and Knight if they would consider voting for the memorandum at this meeting. Bell & Knight indicated they would not

Bell asks the following question - that if in opinion the proposed memorandum would render Section inoperative and there was no prospect of financing from C.C.S. or Mogul the operation could not continue to operate Gordon asks Knight for recommendation

Bell asks question - can management provide economic operation?

Davis states that he is speaking for shareholders

of the Company and not the debentureholders
Bell brings up point of frustration of 1959
agreement. Gordon asks Fraser what he would
be prepared to accept as part of the deal.
Fraser states that he would not oppose
deal as it was now submitted to the Board.
Gordon therefore asked if Bell was prepared
to submit his resignation. Bell duly resigned

Harris says mine would have been shut down
unless C.C.S. financed it.

Gordon asked Knight what he was prepared to
accept as a deal. Knight stated that the deal
should be considered in the light of the C.C.S.'s
position. Knight thought C.C.S. was entitled
to 2 to 2½ ¢ per pound. Knight stated that
he would not undertake financing under
present condition. He stated unless planning
and C.C.S. would not continue to finance Co.
at the present time. Knight stated they he
would not recommend deal to Board.
Board. Knight submitted his resignation as
a Director at the request of Gordon. Bell
expressed the same views and submitted his
resignation as a Director and Secretary-Treasurer
at the request of Gordon.

Moved by A. M. Draeg seconded by H. Cooper
that the Board of Directors approve the
memorandum of agreement dated April 5, 1967
amended by the deletion of clause 4 and as
modified in clause 9 and that the proper
officers be authorized to execute the appropriate
amending agreement and that they be
authorized to take whatever steps necessary to
legally effect the said agreement.

D'Banza abstains from voting
A. Wheeler abstains. Gordon asks Keller
if P.C.S. people can vote. Keller states yes.
Gordon states that all P.C.S. directors will vote.
Noone declared their interest

Draeg states that he voted for the resolution
because he believed that it was in the
best interests for the shareholders to vote
for agreement.

214

PLF EXHIBIT 155
MARKED FOR IDENTIFICATION
ROBERT ZERBE
6/22/73

PLAINTIFFS' EX. 27 IN EVID.

INTERNATIONAL HALLIWELL MINES LIMITED

(no personal liability)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
SEP 23 1975
ID
27

1969 ANNUAL REPORT

BEST COPY AVAILABLE

International Halliwell Mines Limited

(No Personal Liability)

215A

TO THE SHAREHOLDERS:

During the 1969 year copper production from our Haitian operation rose to 3,599,241 pounds compared to 3,363,304 pounds for the prior year with a resultant increase in revenue of approximately $500,000. Operations for that period at the Sedren mine are detailed in the accompanying mine manager's report.

Despite the increase in output and mine revenue, higher operating and other charges contributed to an operating loss of $181,215. Increased charges for depreciation, depletion and amortization, (see note 2 to the financial statements) resulted in a loss for the year of $1,462,329.

FINANCIAL

As an outcome of last year's corporate reorganization the financial position of the Company has been strengthened considerably. Working capital at year end stood at a record $946,324 compared to $230,194 at the close of the previous year. During 1970 the bank loan of $300,000 (U.S.) has been fully retired and a further amount of $70,000 (U.S.) of long outstanding debt has been paid off in addition to the $140,000 (U.S.) paid off in 1969.

EXPLORATION

Because of the Company's improved finances your Management has been able to undertake a programme of exploration in the Mémé mine area and on our other extensive holdings in Haiti.

Recent underground exploration at the mine has already added significantly to ore reserves. Drilling results from drives being advanced east on both the 1700 and 1900 levels has been especially encouraging.

Prospecting and geological field work carried out in the Mémé vicinity has been most promising. Of particular interest is the discovery of porphyry type copper mineralization over an area 800 feet by 150 feet located at Boucan-Grandeur about 1½ miles south of the mine. This mineralization area is oxidized and covered with talus and boulders. Fourteen trenches were put down but it was not possible to penetrate the surface oxidization containing malachite. The results from the various trenches in this oxidized and leached material assayed from 0.39 per cent copper to 1.38 per cent copper over trench widths of 12 feet to 33 feet. Selected samples of oxidized material in various trenches assayed 3.11 per cent copper. A programme of exploratory diamond drilling on this prospect is scheduled for the immediate future.

Also, another discovery at Foucard, approximately two miles from the Mémé mine, has been examined within the past three weeks. The mine geologist reports on this as follows "Here chalcocite-bornite mineralization in cherty limestone exists at the contact between limestone and andesite. Five character samples were taken. These assayed from 1.82 per cent copper to 5.89 per cent copper. Mineralization occurs over a strike length of 550 feet. The width of the zone is obscured by talus

cover but is believed to be about 50 feet plus on the west end and 10 feet plus on the east end. Three trenches are being dug across the zone to determine the strike, dip and true width. Chip samples will be taken across the zone in the trenches."

Two additional discoveries have been made on our C.N.E.S.A. concession (in which the Company has a 97 per cent interest). In the Camp-Coq area, between the towns of Plaisance and Limbé, five zones of copper mineralization have been located. One of these is a highly altered and pyritized volcanic containing chalcopyrite over width of 30 feet assaying 1.20 per cent copper. This zone has been exposed for 50 feet. In the La Rue area, north of the town of Gro-Morne, a zone of mineralized diorite containing both bornite and chalcopyrite has been exposed for a length of 260 feet and assayed 1.73 per cent copper. Further exploration by trenching and diamond drilling is under study for both of these new copper zones.

OUTLOOK

An aggressive campaign is under way to reduce operating costs and raise production efficiencies. One of the most important items in this programme is the replacement of our present generating equipment with two large slow-speed 1,000 h.p. Fairbanks-Morse diesel units that are due to come on stream in September. This installation should eliminate the power failures which have been plaguing the operation over the past several years as well as substantially reduce the power and generating maintenance charges. As an added economy long hole drilling equipment has been successfully introduced in several of the new stoping mine areas and, as expected, is having a significant bearing on reduced mining costs.

In view of the operating economies being introduced, the reasonably good outlook for world copper prices and the new ore developments taking place at the mine, your Management feels more confident at this time about the future potential of the Company than it has in many years.

GENERAL

The Company has renewed its concentrate sales contract with Nippon Mining Company through to the end of 1974 on terms similar to the current one. Settlements will continue to be based on London Metal Exchange quotations.

During the year the name of your Company was changed from Consolidated Halliwell Limited to International Halliwell Mines Limited and shares were exchanged on the basis of one new for ten old. The new shares are listed and traded on the Toronto Stock Exchange.

A ruling has been received from the U.S. Treasury Department exempting the acquisition of the Company's shares from the Interest Equilization Tax up to March 31st, 1971.

Your Board wishes to express its deep appreciation for the services rendered during the past year by Mine Manager, A. F. Heather, his supervising staff and the employees at the mine. The Board also wishes to acknowledge the valuable assistance and co-operation rendered during the year by officials of the Haitian Government.

On behalf of the Board of Directors,

Toronto, Ontario,
Dated 2nd June, 1970.

MURRAY COOPER,
President.

International Halliwell Mines Limited

(No Personal Liability)

217A

April 14, 1970

The President and Directors
International Halliwell Mines Limited
366 Bay Street
Toronto 1, Ontario

Gentlemen:

Following is the report covering mining operations at your wholly owned subsidiary, Sedren S. A., located at Mémé, Republic of Haiti for the year ended December 31, 1969.

PRODUCTION

During the year 155,369 short dry tons were treated having an average grade of 1.275 percent copper. Copper recovery was 90.833 percent. Concentrate produced totalled 5, 898 tons containing 3,599,241 pounds of copper. Net value of production was $2,104,070.54.

By comparison 1968 production totalled 5,193.7 tons of concentrate containing 3,363,304 pounds of copper having a net value of $1,464,214.72.

CONCENTRATE SHIPMENTS

Five shipments of concentrate for overseas smelters were made during the year with an estimated total of 4,905 short dry tons.

STOPING SUMMARY

Ore broken in stoping operations in the mine totalled 144,670 tons and 157,812 tons were hoisted.

A breakdown of mine production follows:

Level	Tons Broken	Tons Removed	Broken Ore Remaining
1100	22,800	25,255	—
1200	200	858	—
1300	8,653	16,194	3,600
1500	59,125	58,722	11,000
1600	6,580	14,394	10,000
1700	47,330	42,389	75,000
TOTAL	144,678	157,812	99,600

EXPLORATION AND DEVELOPMENT

Underground exploration and development drilling totalled 4,897 feet and was confined to extending ore reserves.

Underground development headings were advanced 3,959 feet comprised of 1,253 feet of raising, 299 feet of subdrifting and 2,407 feet of drifting. The objective of the work was to open up new stoping areas and to further develop the 1900 level.

ORE RESERVES

Ore reserves at the year end totalled 346,660 tons grading 1.44 percent copper as compared with 324,060 tons grading 1.48 percent at the end of 1968.

The ore reserve is made up as follows:

Total ore in place (assuming 10% dilution)	247,060 — 1.33%
Total broken reserve	99,600 — 1.74%
Total Reserve	346,660 — 1.44%

GENERAL

Rehabilitation of equipment which had been damaged by the 1968 flood was continued throughout the year.

Good copper markets prevailed during 1969 and the improved prices more than offest the slightly lower mill head grade.

On January 1970 there were 396 Haitians and 13 Canadians on the permanent payroll as compared with 394 Haitians and 14 Canadians on January 1st 1969. The work crew was steady and little labour turnover was experienced.

I wish to take this opportunity to express my appreciation to the President and Directors for their valued guidance and to the mine staff for their assistance and active cooperation.

Respectfully submitted,

A. F. HEATHER, B.Sc., P.Eng.,
Mine Manager.

International Halliwell Mines Limited

(No Personal Liability)

and its consolidated subsidiary

CONSOLIDATED STATEMENT OF INCOME AND DEFICIT

Year ended December 31, 1969

(with comparative figures for 1968)

	1969	1968
Revenue from production of concentrates	$2,000,923	$1,509,532
Mine operating expenses	2,002,767	1,435,497
Administrative and general expenses	176,542	128,835
Interest on non-current liabilities	47,477	80,534
	2,226,786	1,644,866
Less other income	44,648	28,783
	2,182,138	1,616,083
Loss before undernoted items	181,215	106,551
Amortization of excess of cost of shares of subsidiary over book value	205,577	205,579
Depreciation, depletion and amortization	1,075,537	773,245
	1,281,114	978,824
Loss for the year	1,462,329	1,085,375
Deficit at beginning of year	6,507,571	5,422,196
Deficit at end of year	$7,969,900	$6,507,571

International Halliwell Mines Limited

(No Personal Liability)

and its consolidated subsidiary

220A

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31, 1969

(with comparative figures for 1968)

	1969	1968
Source of funds		
Issue of capital stock, for cash	$1,500,001	
Bank loan		$ 322,500
	1,500,001	322,500
Application of funds		
Operations		
Loss for the year	1,462,329	1,085,375
Deduct items not involving current funds	1,296,902	1,097,252
	165,427	(11,877)
Additions to fixed assets	23,697	5,251
Development expenditures, deferred	110,647	57,635
Advances to subsidiary	14,206	15,576
Decrease in non-current portion of liabilities	469,894	140,000
	783,871	206,585
Increase in working capital	716,130	115,915
Working capital at beginning of year	230,194	114,279
Working capital at end of year	$ 946,324	$ 230,194

International Halliwell Mines Limited

(No Personal Liability)
and its consolidated subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended December 31, 1969

1. BASIS OF CONSOLIDATION

The accounts of the company's wholly-owned subsidiary, Societe d'Exploitation et de Developpement Economique et Naturel D'Haiti (Sedren) S.A. (incorporated under the laws of the Republic of Haiti), have been consolidated herein.

The accounts of Sedren are maintained in U.S. dollars. Current assets and liabilities and major replacement parts and slow moving items of the subsidiary have been converted into Canadian funds at the prevailing rate of exchange at the balance sheet date; all other assets and liabilities have been translated at par.

The company holds a 97% interest in Compagnie Nationale d'Exploration S.A., (C.N.E.S.A.) a company incorporated under the laws of the Republic of Haiti. The accounts of this subsidiary which holds a mining concession in Northern Haiti have not been consolidated since the company is in the exploratory stage.

2. DEPRECIATION, DEPLETION AND AMORTIZATION

On January 1, 1969, the company commenced to provide for depreciation, depletion and amortization on a straight-line basis, based on net book value at that date, over the extended estimated remaining life of the mine as determined by indicated ore reserves. Previous provisions commenced after the expiration of the three year period of exemption from Haitian income taxes and were on a declining balance basis at rates varying from 5% to 33% per annum. The charge for the year is $446,445 greater than it would have been if calculated on the previous basis.

As a result of the extension of the estimated life of the mine and change in accounting policy, the accumulated deficiency of provision for depreciation, depletion and amortization has been reduced from $1,412,860 at December 31, 1968 to approximately $229,000 at December 31, 1969.

3. CAPITAL STOCK

By Supplementary Letters Patent dated July 7, 1969

(a) the name of the company was changed to International Halliwell Mines Limited from Consolidated Halliwell Limited.

(b) the capital stock of the company was reorganized on the basis of 1 new share without par value for each 10 shares of par value $1 previously issued and the authorized capital was adjusted to 5,000,000 shares without par value.

In 1969, the company sold 250,000 units each consisting of one share (as reorganized) and two share purchase warrants. The units were issued at $6.00 each, payable in cash to net the company $1,500,000. Each share purchase warrant entitles the holder to purchase on or before August 15, 1977 one new share upon payment of $6.50. An additional 1 share was issued during the year for $1.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. CAPITAL STOCK (Cont'd)

In 1968, 208,339 shares (as reorganized) were issued in settlement of liabilities and in consideration of a guarantee of the company's bank loan. The aggregate value assigned to these shares was $3,560,808 of which $2,310,777 was credited to contributed surplus.

4. COMPARATIVE FIGURES

Certain items for 1968 have been reclassified to give effect to changes in presentation adopted in 1969.

5. CONTINGENT LIABILITY

Sedren is contingently liable for severance allowances which under Haitian law are payable to any employee discharged after three months or more of service. No provision has been made by the company for possible severance payments. The company follows the policy of meeting these obligations as they materialize, charging such payments to expense when made.

6. OTHER INFORMATION

Direct remuneration of directors and senior officers (as defined by The Securities Act, Ontario) amounted to $38,446 for 1969 and $30,360 for 1968.

7. LITIGATION FOR RECOVERY OF DAMAGES

On April 8, 1970, the company instituted an action against Continental Copper & Steel Industries, Inc. and others for damages arising from alleged mismanagement by the defendants of the company's operations prior to May 1968.

PLAINTIFFS' EX. 281 IN EVIDENCE

223A

PLF EXHIBIT 156
MARKED FOR IDENTIFICATION
ROBERT [illegible]
4/22/75

INTERNATIONAL HALLIWELL MINES LIMITED

(no personal liability)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.
SEP 23 1975

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28

1970 ANNUAL REPORT

International Halliwell Mines Limited

224A

(No Personal Liability)

Director's Report

TO THE SHAREHOLDERS:

Presented herewith is the Annual Report of your Company for the fiscal year ended December 31, 1970. Accompanying the Report is a notice calling a Special General Meeting of the Shareholders as well as a General and Annual Meeting of the Shareholders to be held at the Sheraton Mount-Royal Hotel, Peel Street, Montreal, Quebec, on Tuesday, June 29, 1971.

NEW EXPLORATION AGREEMENT:

Since last year end your Directors are pleased to announce that a Letter of Intent was signed with Straus Exploration Inc., of New York, whereby Straus was granted the right to conduct field investigations on substantially all of the sizeable land areas held under concessions granted by the Haitian Government to your Company's Haitian subsidiaries. The Straus organization, with world wide interests and experience, is presently embarked on an intensive investigation of the ore bearing possibilities which have attracted them to the areas now being examined.

Based on results of its own limited work, your management feels strongly that in addition to your Company's Sedren mine which has been in continuous production for over 10 years, careful field reconnaissance in the areas referred to could reveal other ore bodies of economic value.

SEDREN OPERATIONS:

Management on several occasions in the past few years has referred to the lack of consistent power which has caused serious interruptions in the mining operation. At the present time, however, your directors feel confident that the power problem has been satisfactorily resolved now that our two Fairbanks-Morse 1,000 h.p. diesel units have come on stream. Although these sets have been installed in a newly constructed separate power station, one or both of the Fairbanks-Morse units can and have operated in parallel with any of the diesel generators still housed in the original power plant. The new power project was completed earlier in the current year at a total cost of approximately $200,000.

The beneficial effects of the power now available and the plant rehabilitation programme in 1970 have resulted in a greater tonnage through-put with correspondingly lower costs during the first four months of this year as compared to the like period a year ago.

Although lack of sufficient power restricted underground exploration and development work during the year, the mine itself responded well permitting ore reserves to be more than maintained. After the removal of 144,427 tons, reserves at year end stood at 387,220 tons grading 1.44 per cent copper, as compared with 346,660 tons of the same grade at the end of 1969.

The results for 1970 showed an operating loss of $496,016 as compared with an operating loss of $181,215 for the previous year. After depreciation, depletion and amortization charges, the net loss for the year came to $1,625,247 compared to a net loss of $1,462,329 for 1969. During the year 144,427 tons were milled for a recovery of 3,177,647 pounds of copper with a net value of $1,667,758 compared to 3,559,241 pounds produced in 1969 valued at $2,104,070. The accompanying Mine Manager's report details more fully the year's operation at the mine.

ACTION AGAINST CONTINENTAL COPPER & STEEL INDUSTRIES, INC.:

During 1970 an action was instituted against Continental Copper & Steel Industries, Inc. and certain individuals, in the United States District Court, Southern District of New York. The Company is claiming substantial damages, alleging mismanagement of the Company's operations by the defendants prior to May 1968.

GENERAL:

A ruling is being awaited by the United States Internal Revenue Service on the Company's application for exemption from the Interest Equalization Tax up to March 31, 1972.

At a Special General Meeting immediately preceding the forthcoming General and Annual Meeting of the Shareholders, approval of a new By-law will be sought by which the number of directors will be reduced from seven to five in number. This is being proposed in the interests of greater efficiency and flexibility.

In conclusion your Board wishes to record its appreciation for the services rendered by Mr. A. F. Heather, Mine Manager, his supervisory staff and the employees at the mine.

Acknowledgment is also recorded for the valuable co-operation extended during the year by the Officials of the Haitian Government.

On behalf of the Board of Directors,

MURRAY COOPER,
President.

Toronto, Ontario,
June 8, 1971.

International Halliwell Mines Limited

(No Personal Liability)

226A

April 16, 1971

The President and Directors,
International Halliwell Mines Limited,
366 Bay Street,
Toronto 1, Ontario.

Gentlemen:

Following is my report covering production operations at your wholly-owned subsidiary, Sedren S.A., located at Mémé in the Republic of Haiti, for the year ended December 31, 1970.

PRODUCTION:

A total of 144,427 short dry tons of ore were treated averaging 1.294% copper in grade. This yielded 5,457 short dry tons of concentrate containing 3,177,647 pounds copper, for recovery of 84.95%.

This compares with treatment of 155,369 short dry tons the year previous, in which 5,898 tons of concentrate were produced yielding 3,599,241 pounds copper for recovery of 90.83%. The lower recovery in the 1970 period reflected in part a higher incidence of oxide ores in the concentrator feed, and also certain mounting inefficiencies in the mill plant as a result of cumulative wear and tear.

Net value of production was $1,667,758, as compared to $2,104,070 in 1969 and $1,464,214 in 1968. Contributing to the drop in production was the sharp decline in London Metal Exchange copper prices, which dropped from a high of 79.186¢ per pound in April to a low of 47.189¢ per pound in December.

CONCENTRATE SHIPMENTS:

Five shipments were made during 1970, totalling 5,245 tons containing 3,097,287 pounds copper.

STOPING SUMMARY:

Ore broken in stoping operations in the mine totalled 67,018 tons, while 136,653 tons were hoisted.

A breakdown of mine production follows:

Level	Broken	Tons Hoisted	Broken Ore Remaining
1,100	8,520	6,068	2,786
1,200	1,585	1,909	—
1,300	16,368	15,455	2,941 (Est.)
1,500	20,250	63,117	5,638
1,600	2,794	18,950	—
1,700	17,501	31,154	60,782
TOTAL	67,018	136,653	72,147

EXPLORATION AND DEVELOPMENT:

Underground exploration and development drilling totalled 8,058 feet and was devoted towards extending ore reserves.

Underground development totalled 4,870 feet of advance, comprising 1,797 feet of raising, 1,203 feet of sub-drifting and 1,870 feet of drifting and cross-cutting.

ORE RESERVES:

Ore reserves at the year end totalled 387,220 tons grading 1.44% copper, as compared to 346,660 tons grading 1.44% copper at the end of 1969.

Ore reserves are made up as follows:

Total ore in place (allowing 10% dilution)	310,420 — 1.38%
Total broken ore	76,800 — 1.67%
Total Reserve	387,220 — 1.44%

GENERAL:

A general program of rehabilitation of plant and equipment was continued through the year, and it is evident that plant maintenance is becoming an increasingly difficult and important problem. Installations for the No. 2 Power Plant were well-advanced by year's end, consisting mainly of two 1,000 h.p. Fairbanks-Morse generating units. Availability of this plant should very materially reduce previous difficulties in the electric supply when it becomes fully operational, and will increase the available air supply which has been a restrictive factor.

At very nominal cost, land upon which the tailings lake was encroaching was purchased, circumventing any possible legal action on this account against the company.

Following many meetings with authorities of the Haitian Government, there has been a gradual improvement in the labour situation together with a growing awareness of these officials of the importance of a stable labour situation in the Sedren S.A. operation. A new policy which reduced the temporary labour force was instituted during the year. The overall effect of this policy has proven beneficial to the company.

I wish to take this opportunity to express my appreciation to the President and Directors for their valued guidance and assistance, and to the mine staff for their active cooperation.

Respectfully submitted,

A. F. HEATHER, B.Sc., P.Eng.,
Mine Manager.

International Halliwell Mines Limited

(No Personal Liability)

and its consolidated subsidiary

CONSOLIDATED STATEMENT OF INCOME AND DEFICIT

Year ended December 31, 1970

(with comparative figures for 1969)

	1970	1969
Revenue from production of concentrates	$1,872,850	$2,000,923
Mine operating expenses	2,191,130	2,002,767
Administrative and general expenses	201,715	176,542
Interest on non-current liabilities	23,528	47,477
	2,416,373	2,226,786
Less other income	47,507	44,648
	2,368,866	2,182,138
Loss before undernoted items	496,016	181,215
Amortization of excess of cost of shares of subsidiary over book value		205,577
Depreciation, depletion and amortization	1,129,231	1,075,537
	1,129,231	1,281,114
Loss for the year	1,625,247	1,462,329
Deficit at beginning of year	7,969,900	6,507,571
Deficit at end of year	$9,595,147	$7,969,900
Loss per share	$ .98	$ .96

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31, 1970

(with comparative figures for 1969)

	1970	1969
Source of funds		
Issue of capital stock, for cash		$1,500,001
Application of funds		
Operations		
Loss for the year	$1,625,247	1,462,329
Deduct items not involving current funds	1,127,983	1,296,902
	497,264	165,427
Additions to fixed assets	215,259	23,697
Development expenditures, deferred	98,868	110,647
Advances to subsidiary	11,583	14,206
Decrease in non-current portion of liabilities	163,471	469,894
	986,445	783,871
Increase (decrease) in working capital position	(986,445)	716,130
Working capital at beginning of year	946,324	230,194
Working capital (deficiency) at end of year	$ (40,121)	$ 946,324

International Halliwell Mines Limited

(No Personal Liability)
and its consolidated subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Year ended December 31, 1970

1. BASIS OF CONSOLIDATION

The accounts of the company's wholly-owned subsidiary, Societe d'Exploitation et de Developpement Economique et Naturel D'Haiti (Sedren) S.A. (incorporated under the laws of the Republic of Haiti), have been consolidated herein.

The accounts of Sedren are maintained in U.S. dollars. Current assets and liabilities and major replacement parts and slow moving items of the subsidiary have been converted into Canadian funds at the prevailing rate of exchange at the balance sheet date; all other assets, liabilities, revenue and expense have been translated at par.

The company holds a 97% interest in Compagnie Nationale d'Exploration S.A., (C.N.E.S.A.) a company incorporated under the laws of the Republic of Haiti. The accounts of this subsidiary which holds a mining concession in Northern Haiti have not been consolidated since the company is in the exploratory stage.

2. DEPRECIATION, DEPLETION AND AMORTIZATION

The company provides for depreciation, depletion and amortization on a straight-line basis over the estimated remaining life of the mine as determined by indicated ore reserves.

3. CAPITAL STOCK

In 1969, the company sold 250,000 units each consisting of one share and two share purchase warrants. The units were issued at $6.00 each, payable in cash to net the company $1,500,000. Each share purchase warrant entitles the holder to purchase on or before August 15, 1977 one new share upon payment of $6.50. An additional share was issued during 1969 for $1. None of the share purchase warrants have been exercised.

4. CONTINGENT LIABILITY

Sedren is contingently liable for severance allowances which under Haitian law are payable to any employee discharged after three months or more of service. No provision has been made by the company for possible severance payments. The company follows the policy of meeting these obligations as they materialize, charging such payments to expense when made. As at December 31, 1970 the contingent liability amounted to approximately $85,000.

5. OTHER INFORMATION

Direct remuneration of directors and senior officers (as defined by The Securities Act, Ontario) amounted to $42,210 for 1970 and $38,446 for 1969.

6. LITIGATION FOR RECOVERY OF DAMAGES

On April 8, 1970, the company instituted an action against Continental Copper & Steel Industries, Inc. and others for damages arising from alleged mismanagement by the defendants of the company's operations prior to May 1968.

PLAINTIFFS' EX 29 IN EVID.

Copy mailed to all Directors

January 3, 1967.

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

SEP 23 1975

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231A

CONTINENTAL COPPER & STEEL INDUSTRIES, INC. / 100 EAST 42ND STREET, NEW YORK 17 / TN 7-1800

December 28, 1966

OFFICE OF THE SECRETARY

Consolidated Halliwell Limited
25 Adelaide Street W.
Toronto, Ontario, Canada

Societe D'Exploitation et de Development
Economique et Naturel D'Haiti (Sedren) S.A.
c/o Consolidated Halliwell Limited
25 Adelaide Street W.
Toronto, Ontario, Canada.

Gentlemen:

As at December 31, 1966, approximately 21,500,000 pounds of wire bar will remain undelivered under our contract dated April 1, 1959, as amended July 1, 1964. Pursuant to said Agreements Sedren is required to resume deliveries of wire bar to us commencing January 1, 1967.

As an alternative without prejudice to our contractual rights, we would be willing, for your convenience, to accept delivery of copper concentrates in lieu of wire bar at a price which would equate the unit price of delivered wire bar to Hatfield. The formula for fixing the price would be as follows:

E.M. & J. domestic price for wire bar

+ (plus) credit for silver and gold content

- (less) Ocean freight and insurance for shipment of concentrates; treatment charges; discharge expenses; forwarding agents' commissions; ocean freight and insurance for wire bar shipments to Hatfield; inland freight and assay representation and umpire charges.

On the basis of the November average E. M. & J. price of 36.99¢ the value per pound of returned copper on the basis of the above formula would be .325¢.

BEST COPY AVAILABLE

Consolidated Halliwell Limited

Societe D'Exploitation et de Development
Economique et Naturel D'Haiti (Sedren)S.A.

Commencing January 1, 1967 we shall expect deliveries of wire bar or, provided you notify us promptly of your acceptance of the proposal above stated, deliveries of concentrates on the basis set forth above.

Very truly yours,

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

Herman Keller

HK:SC

FOR ATTENTION OF
REFERENCE
DECISION
DIARIED
FILE

PLAINTIFFS' EX. 30 IN EVID.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- x

INTERNATIONAL HALLIWELL MINES, LIMITED, et al,

Plaintiffs,

70 Civil 1400 (DBB)

against

STIPULATED FACTS SUBMITTED BY THE PLAINTIFFS

CONTINENTAL COPPER & STEEL INDUSTRIES, INC., et al,

Defendants.

- -x

The following undisputed facts, pursuant to the Stipulation of Undisputed Facts dated August 29, 1975, are offered in evidence by the plaintiffs in opposition to the evidence introduced by the defendants upon the trial herein. The following undisputed facts were omitted by the defendants in their selection from the aforesaid Stipulation of Undisputed Facts, which submission was introduced by the defendants as defendants' Exhibit C:

22. The 1964 wirebar agreement and the 1964 concentrates agreement were approved by the Halliwell

Board of Directors on October 8, 1964, as follows:

Voting, in favor:	A. H. Graetz, M. Cooper, R.D. Bell, F. Fell, W. H. Knorr;
Voting against:	None;
Abstaining:	M. S. Gordon, H. Harris, S. Ungerleider, A. Wheeler;
Absent:	G. Baussan, H. W. Knight, Jr.

24. By December 31, 1966, Sedren had not delivered 80 million pounds of copper to Continental.

25. Prior to December 31, 1966, discussions ensued between Halliwell and Continental concerning the terms of the contracts which would cover the period from and after January 1, 1967; the date when the 1964 agreements would expire.

26. On December 28, 1966, while these discussions were in progress, Continental served a written demand upon Halliwell that Halliwell and Sedren commence delivery of wire bar effective January 1, 1967, in accordance with the terms of the April 1, 1959 contract, as amended. The demand proposed an alternative, to wit, Continental's willingness to accept delivery of copper concentrate in lieu of wire bar at the price specified in the written demand.

27. At a meeting of the Halliwell Board of Directors held on April 12, 1967, there was presented to the meeting a memorandum encaptioned "Modifications to CCS-Halliwell-Sedren Contractual Obligations dated April 5, 1967" which set forth the terms upon which Continental would agree to modify the 1959 contract, as thereafter amended by the 1964 agreements. Those terms included the execution and delivery by Halliwell and Sedren of General Releases to Continental.

28. Resolutions providing for the approval and authorization by Halliwell and Sedren of the new contracts and the general releases as provided for in the aforesaid memorandum were drawn at said meeting. When a vote was called thereon, Messrs. R. D. Bell, D. W. Knight and F. N. Fell resigned as members of the Halliwell Board of Directors. After the resignations, a vote was taken upon the resolutions by the eight individuals who remained as directors upon the Halliwell Board. Voting in favor of the resolutions were M. S. Gordon, W. Knorr, H. Harris, S. Ungerleider, A. Wheeler, M. Cooper and A. Graetz. G. Baussan abstained.

29. The two contracts by and between Continental, Halliwell and Sedren, dated April 27, 1967, as of January 1, 1967 were executed by Halliwell and Sedren pursuant to the aforesaid vote.

30. On April 28, 1967, pursuant to the aforesaid vote, Halliwell and Sedren each executed a release in favor of Continental.

31. By June 22, 1967, the final payment on the mortgage upon the Sedren property was past due with respect to both principal and interest. There was due and owing thereunder to Continental the principal sum of $250,000, as well as unpaid interest thereon.

32. On July 18, 1967, the Halliwell Board was advised that Continental desired a disposition of its accounts.

33. According to the annual statement of Halliwell for the year ending December 31, 1967, Halliwell had sustained in 1967 an operating loss of $1,674,931; its capital deficit was $5,422.196.

Dated, New York, New York
September 24, 1975

PLAINTIFFS' EX 31 IN EVID.

May 3, 1961

OUTLINE OF PROPOSED TRANSACTIONS

2371

RE:

CONTINENTAL COPPER & STEEL INDUSTRIES, INC. and HALLIWELL

PRESENT: Mortimor S.Gordon
Herman Keller
Walter H. Knorr
Thomas Kennedy

- - - - - - - - - -

1. C.C.S. is to issue to Sedren, S.A., 60,000 shares of C.C.S. Preferred Stock (listing of these shares as was discussed May 2,1961 with Mr. Gray in the Stock Listing Department and approved subject to the filing of the usual formal application.)

2. Sedren,S.A. is to issue to C.C.S. in payment for the aforesaid shares, a bond and first mortgage by Sedren on all of its assets, real and personal, in the principal amount of $1,500,000, for a five year term, interest at 6%, amortizable $300,000 per year, or the net profits on 1700 tons of concentrate per month, whichever be the greater.

(Make sure that Preferred Stock of C.C.S. when returned to Sedren,S.A. after liquidating bank debt is subject to the bond and mortgage)

3. C.C.S. purchases from Halliwell, 1,000,000 shares at 40¢ per share, subject to the Toronto Stock Exchange (Toronto Stock Exchange informally approved about a week or ten days ago--formal approval being sought today--we should be advised by late afternoon or tomorrow).

4. Sedren,S.A. borrows from The Marine Midland Trust Company of New York on a two year basis at 6% interest per annum $1,100,000. Said loan to be secured by 60,000 shares of C.C.S. Preferred Stock and to be further secured by a subordination of C.C.S. First Mortgage or assignment thereof to Marine.

The net effect of the foregoing transactions is to produce $1,500,000 for the treasury of Sedren,S.A.

5. C.C.S. is to secure the necessary I.C.A. Guarantee.

First question to be determined is whether I.C.A. guarantee should be limited only to C.C.S. for

PLF EXHIBIT 100
FOR IDENTIFICATION
2/13/73 I.N. BENJAMIN

$1,500,000 of Preferred Stock being invested in Sedren or whether it should be increased to $2,600,000 to cover the loan of Marine as well.

6. In order to enable Sedren to issue a first mortgage as above described and to purchase the C.C.S. shares as above described, Halliwell at its meeting yesterday (May 2) adopted the following resolutions:

(Halliwell being the sole 100% stockholder of Sedren) it authorized transactions through 5 listed above, including paying for the premium on I.C.A. Guarantee.

7. Consolidated Mogul agreed to the cancellation of all sales and management agreements with Halliwell in exchange for Halliwell's issuing 200,000 of its presently authorized debentures as the same are to be modified. (Management Agreement term expires May 31)

8. Halliwell's authorizations in order to be binding must have the consent of the present bondholders. This was given by Mogul representing $ and by Mr. Graetz in behalf of National.

9. Halliwell subordinated all of its indebtedness against Sedren to the new loans of $1,500,000 from the first mortgage held by C.C.S. and $1,100,000 from Marine.

The revised bondholder program is as follows:

The maturity of the existing obligation is extended for two years. The interest rate is increased to 6-1/2% and services, namely the payment of interest and amortization is available only out of the net profits resulting from production in excess of 1700 tons of concentrate per month.

C.C.S.

C.C.S. has already secured consents in principle from Connecticut Mutual, Prudential Life Insurance Co., New York Stock Exchange and has preliminarily negotiated a loan for $1,100,000 with Marine.

I.C.A.

Marine is to contact other banks for their participation and for this a meeting has been arranged for Friday, May 5 to discuss the matter with all Eastern banks, after which contact to be made with Crocker Anglo Bank.

Proposed transactions between
NATIONAL and CONSOLIDATED MOGUL

Consolidated Mogul now owes National $950,000.

National has agreed to release Mogul of said $950,000 and the collateral securing the indebtedness by accepting from Mogul $100,000 in cash, $850,000 by Halliwell debentures at 96 plus the $200,000 of debentures being received by Mogul in satisfaction of its Management contracts.

$125,000 previously advanced by Mogul on short term basis will be convered to long term debentures of same quality at 96.

Make-up of Board of Directors

The new Board of Directors of Halliwell will consist of eleven - five of whom will be C.C.S. representatives as follows:

Mortimor S.Gordon
Harry Harris
Walter Knorr
Samuel Ungerleider
Arthur Wheeler

Other nominees representing National Outlook Corporation and the bondholders will be:

J.W. ~~Bud~~ Knight
Adolph Graetz

The remaining members of the Board will consist of:

Mr. Braun
Mr. Bousan
Mr. Plexman
Mr. Cooper

Temporarily Halliwell will maintain its contract with Patterson and Perry for secretarial services,etc. and will use Fred Knight from time to time.

Over-all active management of program will come under C.C.S. aegis and the man responsible for this operation will be Thomas Kennedy.

The annual meeting of Halliwell shareholders will be scheduled for May 25 to approve these transactions after adequate arrangements can be made for such time, preparation of documents, clearances, etc.

Fasken, Calvin, MacKenzie, Williston & Swackhamer
Barristers, Solicitors, Notaries, Etc.

B. P. MACKENZIE, Q.C.
J. S. ROBINSON
R. M. SUTHERLAND
P. M. ROBERTSON
R. O. WILSON
P. L. SHIBRIFF
T. E. BROOKS
R. J. C. HARRIES
J. M. HOUGH
W. S. WILLISTON, Q.C.
F. M. FELL, Q.C.
H. W. MACDONELL
A. D. GIVENS
P. S. TUCK
J. W. HUCKLE
W. A. KELLY
D. S. AFFLECK
P. R. KENNEDY
J. W. SWACKHAMER, Q.C.
J. D. TAYLOR
GEORGIA M. BENTLEY
F. O. GIBSON
R. J. ROLLS
JOHN SOMARA
J. H. PORTER
W. C. GRAHAM
J. M. ROBINSON

For I.D
10/20/71
W.A.

240A

CABLE ADDRESS "FASKEN" TORONTO
WESTERN UNION CODE

TELEPHONE 364-2479
AREA CODE 416

36 TORONTO STREET
TORONTO 1, CANADA

January 9, 1967.

PLAINTIFFS' EX 32 IN EVID File # 2339

Mr. Murray Cooper,
President,
Consolidated Halliwell Limited,
715 - 62 Richmond Street West,
Toronto 1, Ontario.

Dear Mr. Cooper:

Following our meeting with you and with Messrs. Graetz, Bell and Knight on December 27, 1966, and our subsequent discussions with you last week, it was agreed that it would be helpful if we gave you the benefit of our understanding of the situation in which Consolidated Halliwell Limited (Halliwell) and its wholly owned subsidiary Sedren S.A. now find themselves by reason of the notice by Continental Copper & Steel Industries Inc. (Continental) dated December 28, 1966 addressed to Halliwell and Sedren for Sedren to resume deliveries of wire bar to Continental commencing January 1, 1967 under the original wire bar agreement dated April 1, 1959.

It is our understanding that because the world price for copper now exceeds the E.& M. J. domestic price for wire bar, the performance by Sedren of its obligations under the original wire bar agreement would undoubtedly result in the insolvency of Sedren as Sedren would be unable to purchase wire bar for resale to Continental at a price which would enable Sedren to carry on operations.

It would appear to us that the following courses of action are now open to Halliwell and Sedren and that a decision should be taken by the Boards of Directors of Halliwell and Sedren as to which course should be followed.

The first alternative would be to treat the existing wire bar agreement as terminated on the grounds of frustration. This course of action has been suggested by counsel acting for the debentureholders. It has been submitted by the debentureholders that when the existing contract was entered into, copper prices were extremely weak and Halliwell and Sedren wanted to be assured that they could in fact sell copper at a price roughly equivalent to the E. & M. J. domestic price for copper wire bar. It was contemplated that Sedren would sell copper concentrates on the world market and would buy copper wire bar to fulfil its obligations under the copper metal contract. If the price per pound of copper which Sedren obtained on the sale of its concentrates was very low then presumably it could buy at a low price (i.e. a price less than the E. & M.J. wire bar quotation) the resulting copper. It could deliver this copper to Continental and get the E. & M.J. price, thus making a profit which offsets the loss sustained on its concentrates sales. A floor price was provided as the agreement specifically provided in effect that the E. & M.J. price would never be less than 24¢ per pound. This contract was never onerous to Continental as it was unlikely that the price of copper would be less than 24¢ per pound except for very short periods of time and it was also unlikely that Continental would be able to buy copper at less than the E. & M. J. domestic price. On the other hand it was then anticipated that the contract would not be unduly onerous on Sedren as it was never anticipated that the L.M.E. price or any other price would greatly exceed the E. & M. J. domestic price. The difficulty is not that the L.M.E. price is greatly in excess of the E. & M. J. domestic price but the fact that neither Halliwell nor Sedren can purchase copper wire bar at the E. & M. J. domestic price to make delivery under the contract. If Halliwell and Sedren could in fact purchase copper wire bar at the E. & M. J. domestic price then the only loss would be a small loss in commissions. Halliwell and Sedren must buy their copper wire bar for delivery under the copper wire bar agreement at the world price with the result that Continental makes an enormous profit and Sedren cannot operate at a profit.

Notwithstanding this argument that the existing wire bar agreement may be treated as terminated on the grounds of frustration we think that it would be difficult to prove that at the time the wire bar agreement was entered into the parties to the agreement did not foresee and could not have foreseen a time when the world price for copper would exceed the E. & M. J. domestic price for wire bar. Although historically the E.& M. J.

Fasken, Calvin, MacKenzie, Williston & Swackhamer

domestic price exceeded the L.M.E. price for copper, the development of the European market reversed this trend and the disparity between the two prices has been widened by the action of the U.S. Government in its effort to stabilize prices and ward off inflation. In other words we suggest there may be no frustration where performance of the contract by Sedren remains physically and legally possible, though commercially unprofitable.

A second course of action would be for the directors of Halliwell and Sedren to unilaterally repudiate the existing wire bar agreement in order to preserve and protect the existing assets of both companies. This action would of course give rise to a claim for damages and Sedren would become liable for damages in an amount which we understand would be in excess of $400,000. By virtue of its guarantee, Halliwell would also become liable for payment of these damages to the extent they could not be realized from Sedren. For these damages Continental would rank equally with Halliwell as an unsecured creditor of Sedren and Continental would also rank as an unsecured creditor of Halliwell. A judgment by Continental against Halliwell would also result in a breach of the Trust Deed securing the Halliwell debentures.

A third alternative would be for Sedren to suspend operations in Haiti. This would result in the termination of the wire bar agreement in accordance with its terms but would not constitute a default under the Trust Deed. A termination of operations however might result in the loss of the concession and undoubtedly would result in the failure of Halliwell to pay interest on its debentures.

Another factor to be kept in mind is the disclosure now required to be made to the Toronto Stock Exchange. The termination of the concentrate agreement as of December 31, 1966 and the notice given by Continental to Sedren and Halliwell for Sedren to continue the delivery of wire bar pursuant to the wire bar agreement must be reported to the Exchange. This notice should include disclosure of the effect of this action on both Halliwell and Sedren.

In view of the foregoing it is imperative that a compromise agreement be reached with Continental.

Yours very truly,
FASKEN, CALVIN, MACKENZIE,
WILLISTON & SWACKHAMER

Per:

FMF:SM

"DEFENDANTS' EXHIBIT A IN EVIDENCE" 243A

THIS AGREEMENT dated as of the 15th day of March, 1968

BETWEEN:

CONSOLIDATED HALLIWELL LIMITED (No Personal Liability), a company incorporated under the laws of the Province of Quebec,

(herein called "Halliwell")

OF THE FIRST PART

-and-

CONTINENTAL COPPER & STEEL Industries, Inc., a company incorporated under the laws of the State of Delaware,

(herein called "Continental")

OF THE SECOND PART

-and-

MAURICE GOODMAN AND ASSOCIATES,

OF THE THIRD PART

WHEREAS by agreement dated April 1, 1959, as amended by agreements dated as of July 1, 1964 and January 1, 1967 (collectively the "Copper Purchase Agreement"), all between Halliwell, Halliwell's wholly-owned Haitian subsidiary La Societe d'Exploitation et de Development Economique et Natural d" Haiti (Sedren) S.A. ("Sedren"), and Continental, Sedren agreed to sell and Continental agreed to purchase the first 80,000,000 pounds of copper metal in wire bar recovered by Sedren from the copper concentrates produced by Sedren from its mine in the Republic of Haiti;

AND WHEREAS by agreement dated as of July 1, 1964 as amended by agreement dated as of January 1, 1967 (collectively the "Concentrates Agreement") both between Continental, Sedren and Halliwell, Sedren agreed to sell and ntinental agreed to purchase the total production of copper

concentrates produced by Sedren and, it was provided that for such period as Sedren delivered copper concentrates to Continental pursuant to the Concentrates Agreement, Sedren would be excused from the delivery to Continental of wire bar pursuant to the Copper Purchase Agreement;

AND WHEREAS all of the aforesaid agreements and releases issued thereunder are hereby ratified, confirmed and approved in all respects;

AND WHEREAS it is in the interest of Halliwell and Sedren to have the Copper Purchase Agreement and the Concentrates Agreement terminated in order that Halliwell may on its own behalf market the products of Sedren notwithstanding that upon such termination Sedren would become obligated to pay to Continental by way of liquidated damages and not as a penalty the sum of $323,868 which sum is equal to the discounts to which Continental would have become entitled in respect of the undelivered 16,193,406 pounds of the 80,000,000 pounds of copper required to be delivered under the Copper Purchase Agreement;

AND WHEREAS Halliwell requires additional financing in the amount of $300,000 (U.S.) if the mine of Sedren is to continue in operation;

AND WHEREAS Continental has agreed to the termination of the Copper Purchase Agreement and the Concentrates Agreement and to the settlement of the outstanding Sedren indebtedness and has also agreed to provide guarantees sufficient to enable Halliwell to obtain its required additional financing, all upon the terms and subject to the conditions hereinafter set forth:

NOW, THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants hereinafter contained,

the parties do hereby agree each with the other as follows:

1. Continental shall provide such guarantees as may be necessary to enable Halliwell and/or Sedren to borrow on normal banking terms the sum of $200,000 (U.S.) from a New York bank which sum shall be repayable in not less than two years and not more than three years; and Maurice Goodman and Associates agree to provide for $100,000 (U.S.) which sum shall be repayable in not less than two years and not more than three years.

2. The first mortgage obligation of Sedren originally issued by Sedren to Continental to secure a loan of $1,500,000 (U.S.) of which the principal sum of $250,000 (U.S.) is now past due and payable, together with the accrued and unpaid interest thereon to March 31, 1968 of $76,343.96 (U.S.) (aggregating $326,343.96) shall be payable with interest at 6% in instalments of $50,000 on the 1st days of January and July beginning on the 1st day of January, 1969, and the balance thereof shall be payable on the 1st day of July,1971, such payments to be applied firstly on account of interest at the rate of 6 per cent per annum and the balance to be applied on account of principal with the privilege of repaying any amount at any time without notice or bonus.

3. The Copper Purchase Agreement and the Concentrates Agreement shall be terminated as of March 31, 1968 or as soon thereafter as the shipment shceduled to leave Haiti between March 28 and March 31 has left; the intention being that, with the said shipment, all interest of Continental in Sedren's ore or agreements respecting Sedren's ore is terminated.

4. Halliwell shall forthwith allot and issue to Continental, or as Continental may in writing direct, shares of the par value of $1.00 each in the capital stock of Halliwell as fully paid and non-assessable shares free of any escrow or other restriction as follows:

   (a) 150,000 shares as consideration for providing the bank guarantees re-referred to in paragraph 1;

   (b) 359,100 shares in full payment and satisfaction of the liquidated damages of $323,868 payable by Sedren to Continental upon termination of the Copper Purchase Agreement.

5. Halliwell shall pay to Continental the sum of $109,836 (U.S.) in instalments of $10,000 each on the 1st days of January, April, July and October, beginning on the 1st day of January, 1969 and the balance on or before the 1st day of July, 1970 in full payment and satisfaction of the discount in the said amount which will be outstanding as at March 31, 1968 and which is payable by Sedren to Continental pursuant to the Copper Purchase Agree-

246A

ment provided however that Continental may on or before May 1, 1970 convert all or any part of the unpaid portion of the said sum of $109,836 (U.S.) into fully paid and non-assessable shares of Halliwell of the par value of $1.00 each at the price of $1.25 (Canadian) per share.

6. This agreement shall be subject to fulfilment of the following additional conditions on or before May 15, 1968.

(a) approval of the shareholders of Halliwell to this agreement.

(b) approval of the shareholders of Halliwell to an agreement dated as of March 15, 1968 between Halliwell and the holders of the outstanding $2,907,000 principal amount of 6-1/2% Sinking Fund Debentures of Halliwell providing, inter alia, for the cancellation of $1,308,150 principal amount of said Debentures and the accrued interest thereon and the conversion of the remaining $1,598,850 principal amount of said Debentures together with the accrued and unpaid interest thereon to March 31, 1968 into 1,574,285 fully paid and non-assessable shares of Halliwell of the par value of $1.00 each;

(c) issuance of supplementary letters patent increasing the authorized capital of Halliwell from $12,000,000 to $17,000,000 divided into shares of the par value of $1.00 each;

(d) acceptance for filing by the Toronto Stock Exchange of a filing statement reflecting this agreement and the agreement referred to in paragraph 6(b);

(e) subject to the authorization of the Office of Foreign Direct Investments, Department of Commerce, Washington, D. C. to the aforesaid guarantee of Continental.

7. In the event that any one or more conditions of this agreement are not fulfilled, either party may on ten clear days written notice to the other cancel this agreement, in which event the Copper Purchase and Concentrates Agreements shall continue in full force and effect.

8. Forthwith upon the execution hereof, Halliwell shall convene a general meeting of its shareholders for the purpose of effectuating this agreement.

9. The parties hereto shall execute and deliver such further assurances and documents as may be necessary or as counsel for either party may deem desirable to effectuate this agreement.

10. This agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and assigns.

IN WITNESS WHEREOF, this agreement has been

duly executed by all the parties hereto.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Per _____ President

c/s

Per _____ Secretary

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

Per _____ Vice President

c/s

Per _____ Secretary

MAURICE GOODMAN AND ASSOCIATES

Per _____

THE ABOVE AGREEMENT IS hereby consented to and adopted by

LA SOCIETE d'EXPLOITATION et DEVELOPMENT ECONOMIQUE et NATURAL d'HAITI S.A.

Per _____ President

c/s

Per _____ Treasurer

"DEFENDANTS' Exhibit B' IN EVIDENCE" 250A

AMENDING AGREEMENT dated the 8th day of May, 1968

BETWEEN:

CONSOLIDATED HALLIWELL LIMITED (No Personal Liability), a company incorporated under the laws of the Province of Quebec,

(herein called "Halliwell")

OF THE FIRST PART

-and-

CONTINENTAL COPPER & STEEL INDUSTRIES, INC., a company incorporated under the laws of the State of Delaware,

(herein called "Continental")

OF THE SECOND PART

-and-

MAURICE GOODMAN AND ASSOCIATES,

OF THE THIRD PART

WHEREAS the Agreement dated as of the 15th day of March, 1968 made between the parties hereto contains the following subparagraph (e) to clause 6:

"(e) subject to the authorization of the Office of Foreign Direct Investments, Department of Commerce, Washington, D. C. to the aforesaid guarantee of Continental.";

AND WHEREAS the parties hereto have agreed to amend the said Agreement:

NOW, THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants herein contained, the parties hereto do hereby agree each with the other as follows:

1. Paragraph 6(e) of the said Agreement of the

15th day of March, 1968, is hereby deleted and the following substituted therefor:

"(e) that Continental and the parties of the third part receive the exemption provided for in Section 58(2)(b) of The Securities Act, 1966 (Ontario). Halliwell will, at its own expense and as expeditiously as possible, prepare and file with the Ontario Securities Commission and the Toronto Stock Exchange a statement of material facts necessary to obtain such exemption."

2. Save as herein expressly provided, the Agreement of the 15th day of March, 1968 remains in full force and effect.

3. This agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and assigns.

IN WITNESS WHEREOF, this agreement has been duly executed by all the parties hereto.

CONSOLIDATED HALLIWELL LIMITED
(No personal liability)

Per _____
President

Per _____ c/s
Secretary

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

Per _____
President

Per _____ c/s
Secretary

MAURICE GOODMAN AND ASSOCIATES

Per _____

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"DEFENDANTS' EXHIBIT C IN EVIDENCE"

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

INTERNATIONAL HALLIWELL MINES, LIMITED, et al., Plaintiffs,	70 Civil 1400 (DBB)
-against-	
CONTINENTAL COPPER & STEEL INDUSTRIES, INC., et al., Defendants.	STIPULATED FACTS OFFERED BY DEFENDANTS ON THE ISSUE OF SETTLEMENT

The following undisputed facts, pursuant to the Stipulation of Undisputed Facts dated August 29, 1975, are offered into evidence by defendants on their case-in-chief on the trial of the settlement issue:

1. The parties agree that this Court has jurisdiction over the subject matter of this action by virtue of diversity of citizenship, 28 U.S.C. § 1332. The parties agree that the venue is properly laid in the Southern District of New York.

2. International Halliwell Mines, Ltd., formerly Consolidated Halliwell Mines, Ltd. (hereinafter "Halliwell"), is a corporation organized and existing under the Quebec Mining Companies Act of the Provice of Quebec. At all material times, its principal place of business has been located in Toronto, Provice of Ontario, Canada.

3. Plaintiff and counterdefendant La Societe D'Exploitation et de Developpment Economique et Natural d'Haiti, S.A. ("Sedren") was a corporation organized under the laws of the Republic of Haiti, with its principal place of business in Port-au-Prince, Haiti and a wholly-owned subsidiary of Halliwell.

4. Defendant and counterplaintiff Continental Copper & Steel Industries, Inc. ("Continental") is a corporation organized and operating under the laws of the State of Delaware. At all relevant times it maintained its principal place of business at 100 East 42nd Street, New York, New York 10017. Its present executive offices are located at 60 East 42nd Street, New York, New York 10017.

5. Defendant Mortimor S. Gordon is a citizen of the State of New York who resides in New York City. At all relevant times, Gordon was president, chief executive officer, and a director of defendant Continental. Defendant Gordon was a director of Halliwell from September 27, 1960 through July 25, 1967, and a director of Sedren from June 8, 1961 through August 31, 1967.

6. Defendant Midlantic National Bank is a national bank with its principal place of business in the State of New Jersey, and is sued as the executor of the Estate of Walter H. Knorr, deceased. Knorr was a resident of the State of New Jersey at the time of his death on December 14, 1973,

and at all times was an officer of Continental. Knorr was a director of Halliwell from June 20, 1961 through May 13, 1968 and a director of Sedren from June 8, 1961 through June 20, 1968.

7. Defendants Eleanora Harris and Joseph Steinhardt are residents of the City of New York, and are sued herein as executors of the Estate of Harry Harris, deceased. Harry Harris was a resident of the State of New York at the time of his death in September, 1967. At all relevant times until his death, Harry Harris was a director of defendant Continental. Harry Harris was a director of Halliwell from November 10, 1959 through May 25, 1960 and from September 27, 1960 through July 25, 1967, and a director of Sedren from January 1, 1959 through September 1967.

8. Defendants Samuel M. Goldman and Della Jacobs are residents of New York, and are sued as executors of the Estate of Samuel Ungerleider, deceased. Ungerleider was a resident of the State of New York at the time of his death on April 9, 1973. At all relevant times Ungerleider was a director of Continental. Ungerleider was a director of Halliwell from June 20, 1961 through July 25, 1967 and a director of Sedren from June 8, 1961 through September 11, 1967.

9. Marion H. Wheeler is a resident of the State of California and is sued herein as the executrix of the Estate of Arthur Wheeler, deceased. Arthur Wheeler was a resident of the State of Connecticut at the time of his

death on May 8, 1972. At all relevant times Arthur Wheeler was a director of Continental. Arthur Wheeler was a director of Halliwell from June 20, 1961 through July 25, 1967.

10. In 1955 the Haitian government granted to Sedren a twenty-five year concession for the exploration and mining of copper and other ores in a designated area of Haiti. At all relevant times Sedren was Halliwell's principal asset and a wholly-owned subsidiary of Halliwell.

11. Halliwell, Sedren and Continental entered into a contract dated April 1, 1959, "the 1959 contract," whereby Sedren agreed to sell to Continental the first 80,000,000 pounds of copper wirebar obtainable from ore mined at the Sedren concession. Sedren's obligations under the contract were guaranteed by Halliwell.

12. Sedren had no smelting facilities in which to convert its copper concentrates (a white powder containing copper and impurities) to the wirebar (a 265 pound slab of copper metal) required by the 1959 contract, and it was, therefore, necessary for Sedren to effect the conversion of concentrates to the wirebar for delivery to Continental.

13. If 80,000,000 pounds of copper wirebar had not been delivered at the end of the initial contract term, June 30, 1964, the 1959 contract provided that Continental had the option of extending the contract term to permit

performance by Sedren or of terminating the contract and claiming liquidated damages equal to the contract discounts on the undelivered poundage.

14. The price to be paid Sedren under the 1959 cotract was determined by reference to a published price for copper wirebar less a discount to Continental of from 0 to 2 cents per pound.

* * * *

16. To meet Halliwell's need for substantial additional funds Continental in 1961 arranged to provide Halliwell with $1.5 million, of which $1.1 million was to go to Sedren. Continental exchanged 60,000 shares of its preferred stock for a mortgage on Sedren's Haitian mine to Continental of $1.5 million; Sedren then used the Continental preferred stock as collateral for a bank loan of $1.1 million. Additionally Continental paid Halliwell $400,000 in cash to purchase one million shares of Halliwell's common stock. These arrangements are hereinafter referred to as "the 1961 refinancing".

17. In connection with the 1961 refinancing, Continental, having acquired a financial interest in Halliwell, was permitted to name five nominees to Halliwell's eleven

member board. At a May 2, 1961 meeting of the Halliwell Board of Directors, Halliwell's bylaws were amended to provide for a board of eleven members, five of whom would constitute a quorum. In June, 1961 Wheeler, Ungerlieder and Knorr joined Gordon and Harris on the Halliwell Board.

18. By June 20, 1964 Sedren had caused to be delivered to Continental only 38,556,000 pounds of copper. Had Continental elected to terminate the 1959 contract at that time, it would have claimed liquidated damages of approximately $800,000 against Sedren, under the liquidated damages clause of the 1959 contract.

19. Halliwell, Sedren and Continental entered into two agreements dated as of July 1, 1964. The first agreement, "the 1964 wirebar agreement," extended for 2-1/2 years, until December 30, 1966, the time in which Sedren could complete delivery of the 80,000,000 pounds of copper but provided that, if it chose to do so, Sedren could satisfy its obligation to deliver wirebar by delivering copper concentrates instead.

20. The second agreement, "the 1964 concentrates agreement," provided that Sedren would sell its copper concentrate production to Continental for the 2-1/2 year period from July 1, 1964 through December 30, 1966.

21. The 1964 agreements provided that, upon the expiration of both 1964 agreements on December 30, 1966, the 1959 contract would again be in effect.

* * * *

29. The two contracts by and between Continental, Halliwell and Sedren, dated April 27, 1967, as of January 1, 1967 were executed by Halliwell and Sedren. . . .

30. On April 28, 1967, . . . Halliwell and Sedren each executed a release in favor of Continental.

* * * *

34. After extensive discussions, an agreement was executed as of March 15, 1968 which provided for: (a) the payment by Sedren and Halliwell to Continental in specified installments of the sum of $326,345.96 for the unpaid principal and accrued interest upon Continental's mortgage upon the Sedren mine; (b) the disposition of Continental's claim for liquidated damages in the sum of $323,868 by the issuance of 359,100 shares of Halliwell common stock; (c) the payment of the sum of $109,836 as the discount claimed by Continental as of March 31, 1968 payable in specified installments; (d) the termination of the 1959 wirebar contract as amended in 1964 and 1967 and the 1964 concentrates agreement as amended in 1967; (e) the ratification, confirmation and approval of the 1959 contract, the 1964 agreements, the 1967 agreements

and the 1967 releases; and (f) the guaranty by Continental and by Maurice Goodman & Associates, in consideration for 150,000 shares of Halliwell stock, of a bank loan to Sedren of $300,000.

35. The agreement of March 15, 1968 was approved by the vote of the following members of the Board of Directors of Halliwell on April 8, 1968:

In Favor:

A. H. Graetz
M. Cooper
W. H. Knorr
M. Rukeyser
J. M. Wainberg

Not Present:

G. Baussan
W. Nash

36. The agreement of March 15, 1968 was submitted to the stockholders of Halliwell at their general and special meeting on May 13, 1968. Prior thereto, Halliwell forwarded to its stockholders an Information Circular and Proxy Statement, with schedules attached thereto.

37. On May 13, 1968, the aforesaid date of the annual meeting of Halliwell stockholders, 11,936,674 shares of common stock were outstanding. Of that number, 35,005 were present in person and 3,602,870 were represented by proxy at the annual meeting. The agreement of March 15, 1968 was approved without objection by the votes of those stockholders who were present at the meeting in person or represented by proxy.

38. As a condition of the 1968 agreement, Halliwell was required to file a statement of material facts with the Toronto Stock Exchange.

39. Halliwell caused that statement, dated September 28, 1969 and signed by its president, its secretary-treasurer and two additional directors, to be filed as required by the 1968 agreement.

40. Plaintiff declared in that statement filed with the Toronto Stock Exchange:

> "There are no other legal proceedings to which the company is a party or of which any of its properties is the subject and no such proceedings are known to be contemplated."

41. Paragraph THIRTY-THIRD of the amended complaint herein states in part that as of July, 1967 "defendants Continental and Gordon ceased to control the Board of Directors and the management and operations of the plaintiffs."

42. The pricing dispute which is the subject of plaintiffs' FOURTH CLAIM was the basis for a demand for arbitration served by Sedren on Continental on January 30, 1969. Continental moved on February 10, 1969 in the Supreme Court of the State of New York, County of New York, to stay this arbitration on the ground that the 1968 agreement was a bar to Sedren's claim. Continental's motion was granted and an order was entered on November 10, 1969 permanently staying the arbitration.

43. On April 10, 1970 plaintiff Halliwell served its summons and complaint upon Continental and thereafter upon the individual defendants.

44. Continental and the individual defendants served their answers on April 30 and May 22, 1970 and asserted as an affirmative defense in each answer that plaintiff's action was barred by the 1968 agreement.

45. Prior to the institution of this action, Continental had fully performed the 1968 agreement.

46. Halliwell continued to perform under the 1968 agreement after April 10, 1970, when the complaint was served, until July 1, 1971 when such performance was completed.

Dated: New York, New York
September 18, 1975

262A

"DEFENDANTS' EXHIBIT D IN EVIDENCE"

THIS AGREEMENT made and entered into this 1st day of April, 1959.

BETWEEN:

CONSOLIDATED HALLIWELL LIMITED (no personal liability), a corporation having its head office in the City of Montreal in the Province of Quebec and an executive office at suite 405, 25 Adelaide Street West, Toronto, Ontario, Canada (hereinafter called "Halliwell")

of the First Part

- and -

LA SOCIETE D'EXPLOITATION et de DEVELOPMENT ECONOMIQUE et NATURAL d'HAITI (Sedren) S.A., a corporation duly incorporated under the laws of the Republic of Haiti with head office at Port-au-Prince, Haiti and an executive office at suite 405, 25 Adelaide Street, West, Toronto, Ontario, Canada (hereinafter called "Sedren")

of the Second Part

-and -

CONTINENTAL COPPER & STEEL INDUSTRIES, INC., a corporation duly incorporated under the laws of the State of Delaware of the United States of America with its principal office at 120 Broadway, in the City of New York in the State of New York, U.S.A. (hereinafter called "Continental")

of the Third Part

WHEREAS, Sedren is a wholly-owned subsidiary of Halliwell;

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EXHIBIT 4

AND WHEREAS, Sedren is now proceeding to erect a plant for the mining and concentrating at a minimum rate of 1500 tons per day of copper ores from the Terre Neuve area of the concession granted by the government of Haiti to Sedren;

AND WHEREAS, it is anticipated that production of concentrates from treating said ores will commence in or about the month of September, 1960;

AND WHEREAS, Sedren has estimated that 80,000,000 pounds of copper are recoverable from the ore reserves established in the Terre Neuve area of said concession and can be produced therefrom by June 30, 1964;

AND WHEREAS, Continental is desirous of purchasing the copper to be recovered from the said ores;

WITNESSETH THAT in consideration of the premises and the mutual covenants and agreements herein contained, it is hereby agreed by and between the parties hereto as follows:

1. Continental hereby agrees to purchase from Sedren and Sedren hereby agrees to sell to Continental the first 80,000,000 pounds of copper metal recovered by Sedren from copper concentrates produced by Sedren from the ores mined from the concession granted to Sedren by the government of the Republic of Haiti, on the following terms:

(a) SPECIFICATIONS:

The copper to be delivered pursuant to this agreement shall be electrolytic copper in wire bars specified as standard specification in A.S.T.M. B5-43, of such sizes and in such shapes within the standards specified in A.S.T.M. B5-43 as Continental shall designate from time

to time.

(b) DELIVERY

The copper shall be delivered f. o. b. to or for the account of Continental at such rod mill or mills located in the New York and New Jersey areas in the United States of America as Continental shall designate from time to time.

(c) QUANTITIES.

Deliveries shall be made commencing not later than the month of January, 1961 at the rate of not less than 1,500,000 pounds per calendar month and not more than 3,000,000 pounds per calendar month.

2. Continental hereby agrees to pay for the copper delivered to it or for its account by Sedren pursuant to this agreement in lawful money of the United States of America to Sedren or as Sedren may direct at the average price per pound of copper as quoted in the Engineering & Mining Journal for "copper, domestic ref'y" for the month in which the copper is delivered (hereinafter referred to as "the quoted price") less the discount hereinafter mentioned, but in any event not less than 24¢ per pound.

3. When the quoted price is 25 cents and not more than 30 cents, Continental shall be entitled to a discount of one cent per pound. When the quoted price is less than 25 cents and not less than 24 cents, Continental shall be entitled to a discount per pound of the fractional difference between the quoted price and the 24 cents. When the quoted price is over 30 cents and not over 38 cents, Continental shall be entitled to a discount of one cent per pound plus 1/8th of the difference between the quoted price and 30 cents; PROVIDED that the maximum discount per

pound to which Continental shall be entitled as aforesaid shall at no time exceed two cents per pound of copper.

4. Continental hereby undertakes, covenants and agrees to make payment for the copper delivered to it or for its account in each month on or before the 15th day of the month following the month in which said deliveries have been made. One copy of the Bill of Lading or other shipping documents covering each shipment of copper made by Sedren pursuant to this agreement shall be sent to Continental at 120 Broadway, New York City, New York, U. S. A., and a further copy to Continental c/o the rod mill to which the shipment has been made.

5. If upon receipt of any shipment of copper at a rod mill, the weight thereof shall appear to vary from the weight claimed in the shipping documents, as soon as possible after the discrepancy shall have been detected, Continental shall notify the refinery from which said shipment has been made and shall send a copy of such notification to Sedren. Acceptance by Continental of such shipment shall not prejudice the right of Continental to claim an adjustment in respect thereof.

6. In the event that at any time or from time to time Sedren shall determine that it is not practical or feasible to deliver copper of its own production, it shall be entitled to deliver, in substitution thereof, copper from any other source in the amounts and at the time provided for in this contract, and subject to all the other terms and conditions hereof.

7. Should Sedren fail to complete the delivery of the 60,000,000 pounds of copper to be delivered by it

265A

hereunder on or before June 30, 1964, Continental may, at its option, either terminate this agreement as to the undelivered portion thereof, or extend time to Sodren for making up the deficiency. Upon such termination Sodren shall become obligated to pay to Continental by way of liquidated damages and not as a penalty, a sum equal to the amount of the discount to which Continental would have become entitled in respect to the undelivered portion of the contract, had delivery been made, based on the average quoted price for the three months commencing July 1, 1964.

8. If any of the parties shall be delayed or prevented from performing any of the agreements which they have herein agreed to perform, by reason of any cause beyond the control of suchparty, such delay or failure of performance shall be excused, and the period of such delay shall be treated as a nullity in calculating the term of this agreement or the time for the performance of any of the provisions thereof, and none of the parties shall have any demand, claim or cause of action for damages therefor or arising therefrom, and such claims, demands or causes of action are hereby expressly waived by all of the parties hereto. The expression "causes beyond the control of such party" shall be construed to include inter alia, fire, strikes, riots, the elements, acts of God or the public enemy, war, civil commotion, insurrection, rebellion, accidents to machinery, or other equipment, failure to receive materials from suppliers, acts of the Government of any country or any governmental agency of any country (including but not restricted to any preference, priority or allocation order, expropriation order, foreign exchange control or regulation, and any other restrictive order or regulation), floods, epidemics, quarantine, restrictions, freight embargoes, unusually severe weather and delays by any subcontractor, delays or failure of performance by common carriers, but this definition does not and shall not be deemed or construed to limit in any way the generality of

the expression "causes beyond the control of such party".

9. This Agreement shall be construed in accordance with, and the rights of the parties shall be governed by, the laws of the State of New York.

10. Should any dispute arise out of this agreement the same shall be settled by arbitration in accordance with the provisions of Article 84 of The Civil Practice Act of the State of New York.

11. Halliwell hereby guarantees the performance by Sedron of its covenants, undertakings and agreements herein contained and each of them.

12. Any notice required to be given or designation to be made pursuant to any provision of this agreement shall be deemed to have been given or made to and received by the addressee on the day following the posting thereof if sent by registered prepaid post addressed as follows:-

Consolidated Halliwell Mines Limited
Suite 405, 25 Adelaide St. W.
Toronto, Ontario, Canada

Sedron, S.A.
c/o Consolidated Halliwell Mines Limited
Suite 405, 25 Adelaide St. W.
Toronto, Ontario, Canada.

Continental Copper & Steel Industries, Inc.
120 Broadway
New York 5, New York, U. S. A.

13. Time shall be of the essence, and this agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and

assigns.

IN WITNESS WHEREOF the parties hereto have executed these presents.

CONSOLIDATED HALLIWELL MINES LIMITED
(No Personal Liability)

By _____

LA SOCIETE d'EXPLOITATION et de DEVELOPMENT ECONOMIQUE et NATURAL d'HAITI (Sodron) S/A.

By _____

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

By _____

"DEFENDANTS' EXHIBIT E IN EVIDENCE" 269A

THIS AGREEMENT made and entered into as of this 1st day of July, 1964, between

CONSOLIDATED HALLIWELL LIMITED (No Personal Liability), a corporation having its head office in the City of Montreal in the Province of Quebec and an executive office at suite 405, 25 Adelaide Street West, Toronto, Ontario, Canada (hereinafter called "Halliwell")

-and-

LA SOCIETE d'EXPLOITATION et de DEVELOPMENT ECONOMIQUE et NATURAL d'HAITI (Sedren) S. A., a corporation duly incorporated under the laws of the Republic of Haiti with head office at Port-Au-Prince, Haiti (hereinafter called "Sedren"),

-and-

CONTINENTAL COPPER & STEEL INDUSTRIES, INC., a corporation duly incorporated under the laws of the State of Delaware of the United States of America with its principal office at 100 East 42nd Street, in the City of New York in the State of New York, U. S. A. (hereinafter called "Continental").

WHEREAS, the parties made and entered into an agreement on April 1, 1959 pursuant to which Continental agreed to purchase and Sedren agreed to sell and deliver by June 30, 1964 the first eighty million pounds of copper metal recovered by Sedren in the form of electrolytic copper and wire bars from copper concentrates produced by Sedren, at its mine in the Republic of Haiti, and

WHEREAS, Sedren has caused to be delivered to date only approximately 38,556,000 pounds of wire bar against the said agreement, and

WHEREAS, Sedren will be unable to deliver a total of eighty million pounds of wire bar by the said date, and

WHEREAS, the parties desire to enter into an amendment of said agreement extending the period within which Sedren may deliver the said eighty million pounds of wire bar to Continental and modifying the agreement in certain other respects,

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, it is agreed as follows:

1. Subparagraph (c) is amended to read as follows:

(c) QUANTITIES

Deliveries of wire bar shall be made in monthly installments provided however, that as long as Sedren shall deliver to Continental copper concentrates pursuant to a certain agreement entered into between Sedren and Continental on July 1, 1964, Sedren shall not be required to make any delivery of wire bar pursuant to this agreement. Upon termination of said agreement, and provided Continental shall not have received a total of eighty million pounds of wire bar and/or returnable copper produced in concentrates, Sedren shall resume monthly deliveries of wire bar pursuant to this agreement and Continental shall pay for the same pursuant to paragraph 2 as amended herein.

2. Continental shall pay for the copper wire bar delivered to it or for its account by Sedren pursuant to this agreement in lawful money of the United States of America to Sedren or as Sedren may direct at the average price per pound of copper as quoted in the Engineering & Mining Journal for "copper, domestic ref'y" for the month in which the copper is delivered (hereinafter referred to as the "quoted price") less the discount hereinafter mentioned, but in any event not less than 24¢ per pound.

3. Paragraph 3 of said agreement is amended to read as follows:

3. When the quoted price is 25 cents and not more than 30 cents, Continental shall be entitled to a discount of one cent per pound on each pound of wire bar purchased hereunder. When the quoted price is less than 25 cents and not less than 24 cents, Continental shall be entitled to a discount per pound of the fractional difference between the quoted price and the 24 cents. When the quoted price is over 30 cents and not over 38 cents, Continental shall be entitled to a discount of one cent per pound plus 1/8th of the difference between the quoted price and 30 cents; PROVIDED that the maximum discount per pound to which Continental shall be entitled as aforesaid shall at no time exceed two cents per pound of copper.

As long as Continental shall purchase copper concentrates from Sedren under the agreement dated July 1, 1964, Continental shall receive the above discounts against the quoted price computed against pounds of returnable copper as ascertained by final assays at the smelter on each and every shipment of concentrates. The discounts for the purpose of this paragraph shall be applied against the quoted price for the month in which the copper concentrates are

delivered to smelter. Payment of discounts shall be made to Continental upon receipt by Sedren of final settlement from smelter on each and every shipment.

4. Paragraphs 4 and 12 are amended to indicate Continental's new mailing address as 100 East 42nd Street, New York, New York, 10017.

5. Paragraph 7 is amended to read as follows:

7. Should Sedren fail to deliver to Continental a total of eighty million pounds of wire bar and/or returnable copper produced in concentrates on or before December 31, 1966, Continental may, at its option, either terminate this agreement as to the undelivered portion thereof, or extend the time for Sedren to complete delivery. Upon such termination, if any, Sedren shall pay to Continental by way of liquidated damages and not as a penalty, a sum equal to the amount of the discounts to which Continental would have become entitled in respect to the undelivered portion of the contract, had delivery been made, based on the average quoted price for the three months commencing January 1, 1967. There shall be credited against the said eighty million pounds of returnable copper required to be delivered by Sedren under this agreement as amended, the aggregate amount of returnable copper produced in concentrates and sold to Continental under the aforesaid agreement dated July 1, 1964.

6. Except as modified herein, the agreement of April 1, 1959 is in all other respects confirmed, ratified and approved.

IN WITNESS WHEREOF, the parties hereto, by their appropriate officers, have hereunto set their

hands and seals tho 1st day of July, 1964.

CONSOLIDATED HALLIWELL MINES LIMITED (No Personal Liability)

By Adolph H. Gracky
Vice-President

LA SOCIETE d'EXPLOITATION et de DEVELOPMENT ECONOMIQUE et NATURAL d'HAITI (Sedren) S. A.

By Adolph H. Gracky
Director

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

By _____
Vice Pres. - Treas.

Plf's Ex 42

"DEFENDANTS' EXHIBIT F IN EVIDENCE" 274A

AGREEMENT made as of the 1st day of July, 1964 by and between CONTINENTAL COPPER & STEEL INDUSTRIES, INC., 100 East 42nd Street, New York 17, New York, (hereinafter referred to as "Buyer"), SOCIETE d'EXPLOITATION et de DEVELOPPMENT ECONOMIQUE et NATUREL d'HAITI (Sedren) S.A., Port-Au-Prince, Haiti, (hereinafter referred to as "Seller") and CONSOLIDATED HALLIWELL LIMITED, (No Personal Liability), (hereinafter referred to as "Guarantor").

WITNESSETH THAT: Seller agrees to sell and Buyer agrees to buy the material hereinafter described upon the terms and conditions hereinafter set forth:

MATERIAL Copper concentrates as produced by Sedren, S.A. at its mine in the Republic of Haiti.

QUALITY Typical and approximate assays of the concentrates are

Cu	35% ~~per short dry ton~~
Ag	6.0 ozs per short dry ton
Au	0.5 ozs per short dry ton
Fe	27% ~~per short dry ton~~
S	33% " " " "
Si oz	2.2% " " " "
Ca O	1.2% " " " "
H_2O	6/7%

The concentrates shall be free from impurities detrimental to smelting and refining operations. Seller also warrants that the concentrates shall be delivered on board ship with a moisture content not exceeding that which shall make the material suitable for smelting and safe for ocean transport in bulk, alone or with other materials in accordance with usual marine practice pertaining to copper concentrates.

QUALITY & LIMITATION

Seller's total production of concentrates during a two-and-one-half year period commencing July 1, 1964 and ending December 31,1966,or in the event Seller shall cease operations at the mine prior to said date, then until the date on

EXHIBIT 6

which operations shall cease.

SHIPMENT

In movements of 1000 to 3000 Long Wet tons, currently and as often as Seller finds practical, but in any case at intervals not exceeding three months, unless unusual circumstances involving contingencies beyond the control of the Seller shall prevent such shipment.

Seller shall provide Buyer with 30 days' notice prior to each shipment. Buyer shall use its best endeavors to provide the necessary ships for loading by Seller on the date specified in each said notice. If Buyer fails to provide a ship or ships as aforesaid, Seller shall be entitled nevertheless to call for an advance payment as provided below in paragraph entitled "Payments", in respect to a minimum of 2500 tons and a maximum of 3000 tons of concentrate awaiting shipment as if the same had been delivered aboard ship. In this event the concentrates shall be deemed to have been delivered to Buyer but the same shall continue at Seller's risk until the said concentrates are actually delivered aboard ship. Buyer shall be entitled to such documents as it may require to protect it in respect to such advance payment or payments.

DELIVERY

Delivery shall be made at Seller's port in Haiti, F. O. B. steamer, material loaded and trimmed in ship's holds.

Seller warrants that said port is suitable for handling steamers standard in the ore trade of not more than 30' draft and that the

concentrates will be loaded expeditiously and in such amounts as are practical.

Title to the concentrates shall pass to Buyer upon completion of the loading and trimming operations, as evidenced by a set of clean on board ocean or charter party bills of lading, signed by the Master of the steamer or other authorized representative.

PRICE

The price of the material shall be the sum of the payments less the sum of the deductions as specified below:

Payments

Copper: Deduct from the wet copper assay one unit and pay for 100% of the remaining copper at the daily net export refinery quotations for electrolytic copper as published in the Engineering and Mining Journal Metal and Mineral Markets, averaged over the quotational period, less one cent per pound of copper paid for.

Silver: If thirty (30) grams per net dry metric tons or more, pay for 90% of the silver content at the Handy & Harman New York price for unrefined silver, as published in the Engineering and Mining Journal Metal and Mineral Markets averaged over the quotational period.

Gold: If one gram per net dry metric ton or more, the gold shall be paid for at the U. S. Treasury net price (at present $34.9125) in accordance with the following scale:

1 gram	and	above,	but	less	than	3	grams	90%
3 grams	"	"	"	"	"	5	grams	91%
5	"	"	"	"	"	10	grams	95.5%
10	"	"	"	"	"	20	grams	96.5%
20	"	"	"	"	"	30	grams	97%
30	"	"	"	"	"	50	grams	97.5%
50 grams	and	above						98%

The quotational period shall be the calendar month commencing on the first day of the month during which the carrying vessel arrives at the first port of discharge in Japan. For this purpose the date on which the vessel reports at customs at the port of discharge shall be taken as the date of arrival.

Deductions

Treatment charge: $5.50 (Five dollars and fifty cents) U. S. Currency per metric ton, net dry weight, delivered C.I.F. Main Japanese Port (as selected by Buyer).

OCEAN FREIGHT

To be charged to Seller on the actual wet weight at rates F.I.O.T. of Charters or Freighting contracts. The Buyer shall at all times endeavor to obtain the best possible rate and shall charter or contract for the freight, inform Seller thereof and provide Seller with copies of the freight contracts. Unloading in Japan shall shall be for Buyer's account.

The Seller shall pay ocean freight rate up to U.S. $14.50 per wet long ton F.I.O. (Present rate approximately $12.00 per L.W.T.) The Buyer agrees to absorb any additional freight cost or provide ocean freight space at a rate not exceeding $14.50 per wet long ton F.I.O.

INSURANCE

The insurance premiums are for Seller's account and shall cover the concentrates to smelter's work for 110% of the C.I.F. value against the follow-

ing risks:

1. Including particular average.
2. Heating and spontaneous combustion, even when caused by inherent vice.
3. Strikes, riots and civil commotions.
4. War risk.

The existing insurance premium for War Risks including SRCC(strikes,riots and civil commotion) of $0.0375 for $100 is for Seller's account while any increase shall be for Buyer's account.

WEIGHING, SAMPLING & MOISTURE DETERMINATION

The concentrates shall be weighed,sampled and moisture determined upon arrival at the smelter or port of destination. Weight and moisture thus determined shall be final for settlement. Buyer shall arrange on behalf of Seller and at Seller's expense, for representation at these operations by a first class reputable supervising laboratory to be approved by Seller.

ASSAYING

From the samples taken at destination, Buyer shall have Seller's party assay made, at Seller's expense, by a first class reputable laboratory to be approved by Seller . Buyer shall exchange these assays with the smelter and final settlement shall be made on the average of the analyses, provided that the splitting limits listed below are not exceeded.

If the splitting limits are exceeded, an umpire assay shall be made. Settlement shall be made at the mean of the umpire assay and the near party's assay,provided that the umpire assay lies between the two parties assays. If the umpire assay falls outside the two parties,

common carriers, but this definition does not and shall not be deemed or construed to limit in any way the generality of

settlement shall be made at the middle one of the three assays. The cost of the umpire shall be borne by the losing party.

SPLITTING LIMITS

Copper	0.30%
Silver	30 grams per dry metric ton
Gold	0.5 grams per dry metric ton

PAYMENTS

After loading of the concentrates, and calculated at the prevailing metal quotations on the date of delivery of the shipping documents, the Buyer shall provisionally pay Seller 90% of the provisional value against presentation of proper shipping documents, preliminary weight certificate and preliminary assay certificate sworn to by Seller's Chief Assayer.

If 150 days after steamer's sailing date settlement weights and assays should not be available, a second provisional payment of the full balance shall be made on the basis of the applicable metal quotations and such other data as is available.

After receipt of governing weights assays and quotations for each shipment, a final accounting shall be rendered to Seller.

DISPOSITION OF MATERIAL

All payments, freight rates, etc. are based on shipment of concentrates to Japanese smelters. It is understood that any diversion of shipments to other than Japanese Smelters, can be effected only with Seller's written approval.

DELIVERY OF WIRE BAR

Under a contract entered into between Consolidated Halliwell Limited, Sedron and Continental Copper & Steel Industries, Inc., dated April 1, 1959, it was agreed that copper wire bar would be delivered to

Buyer, predicated upon the copper content of the concentrates produced at the Sedren mine.

For the term of this agreement, the Buyer undertakes to procure for its own account the wire bar, as per said contract.

Commencing with the July, 1964 production of the mine, Seller shall be excused from delivering such wire bar to Buyer.

By reason of this agreement Seller is released of the cost of .75¢ per lb. of returnable wire bar for delivery and force majeure charges heretofore payable by Seller, under its sales agreement expiring June 30, 1964.

In consideration therefor Seller shall pay the Buyer .375¢ per pound of returnable wire bar.

It is acknowledged that by reason of this agreement, the Seller will realize considerable savings which are evident from the following comparison between the Buyer's contract and the next best offer received by the Seller. The parties here to agree that these savings should be shared 50/50 (6 twoen the Buyer and the Seller on the following bas

Basis: CU -35% S.D.T., AG 6 ozs/S.D.T., AU .5 ozs H_2O 7%, E & MJ Export Price 29.60¢/lb.

		Next Best Bid		CCS	Savi
CU 35%					
Less 1 unit 34%=680 lbs.at 29.6¢					
Less 1.0=28.6¢		194.48		194.48	
AG 6 ozs at 90%=5.4 oz.at $1.29		6.97		6.97	
AU .5 ozs.at 95%=.475 ozs.at $34.9125		16.58			
AU .5 ozs.at 96.5%=.4825 ozs.at $34.9125				16.85	
		218.03		218.30	
T/C 2-1/2 year average	8.53		4.99		
O/F(Estimate at present $12/LWT)	11.52		11.52		
Discharge	.58				
Insurance	.60		.60		
		21.23		17.11	
		196.80		201.19	
Commission 1.5%		2.95		-	

Savings on Concentrate $
1/2= $

CONDITIONS

(a) Seller undertakes to obtain all the necessary permits, licenses and any required documents to assure the free port of concentrates from Haiti in such manner that smooth operation of the above agreement is not impaired. Buyer will undertake or provide for the corresponding import and export licenses, as the case may be, in other countries, wherever necessary.

(b) All Haitian taxes, duties and other direct or indirect charges applying in Haiti to this agreement or the performance thereof shall be borne by Seller, except only such taxes, duties and other charges relating to the profits derived by the Buyer.

(c) If any of the quotations for metals governing part or all of this contract should be suspended or their manner of determination be changed, Buyer and Seller shall endeavor to arrive at a new pricing basis mutually acceptable.

(d) All charges incurred by Buyer for Seller's account for Ocean Freight, Insurance and Representation at Destination shall be reviewed and approved by Seller prior to commitment and shall be billed to Seller at the exact amounts charged to Buyer. Commissions, direct or indirect, if any, derived by Buyer for placing Ocean Freight and Insurance less Buyer's expenses incurred in connection therewith, shall revert to Seller.

FORCE MAJEURE

If any of the parties shall be delayed or prevented from performing any of the agreements which they have herein agreed to perform, by reason of any cause beyond the control of such party, such delay or failure of performance shall be excused, and the period of such delay shall be treated as a nullity in calculating the term of this agreement or the time for the performance of any of the provisions thereof, and none of the parties shall have any demand, claim or cause of action for damages therefor arising therefrom, and such claims, demands or causes of action are hereby expressly

waived by all of the parties hereto. The expression "causes beyond the control of such party" shall be construed to include inter alia, fire, strikes, riots, the elements, acts of God or the public enemy, accidents to machinery or other equipment, failure to receive materials from suppliers, acts of the Government, (including but not restricted to any preference, priority or allocation order) or any other governmental agency having jurisdiction thereof, floods, epidemics, quarantine, restrictions, freight embargoes, unusually severe weather and delays by subcontractor, delays or failure of performance by common carriers, but this definition doesnot and shall not be deemed or construed to limit in any way the generality of the expression "causes beyond the control of such party".

DEFINITION Whenever referred to above, a ton is a short ton of 2,000 lbs. avoirdupois weight. A unit is 1/ (20 lbs) of the above mentioned ton. An ounce is a troy ounce.

Whenever mentioned herein, dollars and cents are in the currency of the United States of America.

ARBITRATION Any controversy or claim arising out of or relating to this contract or the breach thereof shall be settled by arbitration in New York City in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered may be entered into the Supreme Court of New York or any court with jurisdiction.

JURISDICTION — This agreement shall be construed in accordance with and the rights of the parties shall be governed by the laws of the State of New York.

GUARANTEE — Guarantor hereby guarantees the performance by Sedren of its covenants, undertakings and agreements and each of them contained in this agreement, as amended.

IN WITNESS WHEREOF, the parties hereto have by their authorized officers, hereunto set their hands and their corporate seals, as of this 1st day of July, 1964.

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

By _____
Vice Pres. & Treas.

SOCIETE d'EXPLOITATION et de DEVELOPPMENT ECONOMIQUE et NATUREL d'HAITI (Sedren)

By _____
Director

CONSOLIDATED HALLIWELL LIMITED, (No Personal Liability)

By _____
Vice-President

quoted price for the month in which the copper concentrates are

"DEFENDANTS' EXHIBIT G IN EVIDENCE" 284A

THIS AGREEMENT made and entered into as of the 1st day of January, 1967 among

CONSOLIDATED HALLIWELL LIMITED (No Personal Liability), a corporation having its head office in the City of Montreal in the Province of Quebec and an executive office at suite 405, 25 Adelaide Street West, Toronto, Ontario, Canada (hereinafter called "Halliwell")

-and-

LA SOCIETE d'EXPLOITATION et de DEVELOPMENT ECONOMIQUE et NATURAL d'HAITI (Sedren) S.A., a corporation duly incorporated under the laws of the Republic of Haiti with head office at Port-Au-Prince, Haiti (hereinafter called "Sedren")

-and-

CONTINENTAL COPPER & STEEL INDUSTRIES, INC., a corporation duly incorporated under the laws of the State of Delaware of the United States of America with its principal office at 100 East 42nd Street, in the City of New York in the State of New York, U. S. A. (hereinafter called "Continental").

WHEREAS, the parties entered into a copper concentrates purchase agreement on July 1, 1964 for the period July 1, 1964 to December 31, 1966, and

WHEREAS, the parties desire to extend and amend said agreement in the particulars hereinafter stated;

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, it is agreed as follows:

their appropriate officers, have hereunto set their

1. The paragraph on page 1 of the concentrates agreement entitled "Quality and Duration" is hereby amended to extend the period therein mentioned by providing that the said period shall run concurrently with the term of a certain copper purchase agreement between the parties dated April 1, 1959, as amended.

2. The paragraphs on pages 3 and 4 of the concentrates agreement headed "Copper", "Silver" and "Gold" under the subheading "Payments" is hereby changed to read as follows:

"Copper: Deduct from the wet copper assay the number of units deducted by the smelter and pay for 100% of the remaining copper at a price which shall be equal to the average during the quotational period of the following prices:

(a) the daily net export refinery quotation for electrolytic copper as published in Metals Week incorporating the Engineering and Mining Journal Metal and Mineral Markets (Metals Week);

(b) the daily net domestic refining quotation for electrolytic copper as published in Metals Week;

(c) the London Metal Exchange Cash Settlement price for electrolytic wire bar; and

(d) U.S. prime producers' price as published in the Wall Street Journal

less the amount per pound of copper paid for and deducted by the smelter at point of discharge for each shipment."

"Silver" and "Gold": Shall be paid for under the same terms and pursuant to the same schedule as specified by the particular smelter at final destination.

3. The first full paragraph on page 4 of the concentrates agreement shall be changed to read as follows:

"The quotational period shall be the same as that specified by the smelter at final

destination. For this purpose the date on which the vessel reports at customs at the port of discharge shall be taken as the date of arrival."

4. The paragraph on page 4 of the concentrates agreement headed "Treatment Charges" under the subheading "Deductions" is hereby changed to read as follows:

"Treatment Charges: The amount of treatment charges paid by Buyer at ultimate destination."

4. The section on pages 6 and 7 of the concentrates agreement entitled "Delivery of Wire Bar" is hereby amended by deleting therefrom the last paragraph commencing with the words "It is acknowledged that by reason of this agreement ***" and ending with the words "*** the Buyer and the Seller on the following basis:" and by deleting therefrom the table following the aforesaid words.

6. The concentrates agreement as amended herein may be assigned by the Buyer toa wholly owned subsidiary.

7. Except as modified herein the said agreement entered into July 1,1964 is in all other respects confirmed, ratified and approved.

IN WITNESS WHEREOF, the parties hereto by their appropriate officers, have hereunto set their hands and seals the 13th day of April,1967.

286A

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

By _____

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

By _____

LA SOCIETE d'EXPLOITATION et de DEVELOPMENT ECONOMIQUE et NATURAL d'HAITI (SEDREN) S. A.

By _____

"DEFENDANTS' EXHIBIT H IN EVIDENCE" (18)

THIS AGREEMENT made and entered into as of the 1st day of January, 1967 among

CONSOLIDATED HALLIWELL LIMITED (No Personal Liability), a corporation having its head office in the City of Montreal in the Province of Quebec and an executive office at suite 405, 25 Adelaide Street West, Toronto, Ontario, Canada (hereinafter called "Halliwell")

-and-

LA SOCIETE d'EXPLOITATION et de DEVELOPMENT ECONOMIQUE et NATURAL d'HAITI (Sedren) S.A., a corporation duly incorporated under the laws of the Republic of Haiti with head office at Port-Au-Prince, Haiti (hereinafter called "Sedren")

-and-

CONTINENTAL COPPER & STEEL INDUSTRIES, INC., a corporation duly incorporated under the laws of the State of Delaware of the United States of America with its principal office at 100 East 42nd Street, in the City of New York in the State of New York, U. S. A. (hereinafter called "Continental").

WHEREAS, the parties entered into a copper purchase agreement on April 1, 1959, and

WHEREAS, an amendment to said agreement was entered into on July 1, 1964 for the period July 1,1964 to December 31, 1966 ("amended agreement"), and

WHEREAS, the parties desire to extend and further amend said agreements in the particulars hereinafter stated:

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, it is agreed as follows:

1. Subparagraph (C) of paragraoh 1 of the amended agreement is hereby changed to read as follows:

"(C) Deliveries of wire bar shall be made in monthly installments, provided, however, that as long as Sedren shall deliver to Continental copper concentrates pursuant to a certain concentrates agreement, as hereinafter defined, Sedren shall not be required to make deliveries of wire bar pursuant to this agreement."

2. The second subparagraph of paragraph 3 of the amended agreement is changed to read as follows:

"As long as Continental shall purchase copper concentrates from Sedren under the concentrates agreement, Continental shall receive the above discounts against the quoted price computed against pounds of returnable copper as ascertained by final assays at the smelter on each and every shipment of concentrates. The discounts for the purpose of this paragraph shall be applied against the quoted price for the month in which the copper concentrates are delivered to smelter. Payment of discounts shall be made to Continental upon receipt by Sedren of final settlement from smelter on each and every shipment."

trade of not more than 30' draft and that the

3. Paragraph 7 of the amended agreement is changed to read as follows:

"7. Continental may, at any time after December 31,1968 at its option, upon three months written notice terminate this agreement as to any portion thereof then undelivered and upon such termination Sedren shall pay to Continental, by way of liquidated damages and not as a penalty, a sum equal to the amount of the discounts to which Continental would have become entitled in respect to the undelivered portion of up to 80,000,000 pounds had delivery been made, based on the average quoted price for the three months commencing with the date of notification. There shall be credited against the returnable copper required to be delivered by Sedren under this agreement as amended, the aggregate amount of returnable copper produced in concentrates and sold to Continental under the aforesaid concentrates agreement."

4. The agreement dated April 1, 1959 as amended on July 1, 1964 is further amended by adding the following new paragraphs :

"14. Concentrates agreement shall mean the agreement entered into among the parties on July 1, 1964 relating to the sale by Sedren and the purchase by Continental of copper concentrates as produced by Sedren at its mine in Haiti and said agreement as amended as of the date hereof or as hereafter amended."

"15. Upon delivery by Sedren of the 80,000,000 pounds of copper to be delivered by it pursuant to the terms of this agreement and the concentrates agreement, Continental shall become the sales agent for the sale of the produce of all mining properties controlled or operated by Sedren or Halliwell for a term of five years, subject at the option of Continental to renewal for an additional term of five years. The sales commission to be paid to Continental shall be 2% of net smelter returns, basis CIF final destination."

"16. Sedren will set aside each year during the term of this agreement before any distribution is made by Halliwell by way of prepayment of principal on its debentures, at least $200,000 which sum shall be held in escrow and used exclusively in the exploration and development of additional ore on the Sedren Concession and the Cnesa Concession. To the extent that any part of the said sum remains unexpended or uncommitted in any such year, such amount shall, at the option of Continental, be paid to Continental."

"17. The purchase agreement, as amended, may be assigned to a wholly owned subsidiary of Continental."

5. Except as modified herein, the said agreement entered into April 1, 1959 as amended by agreement entered into July 1, 1964 is in all other respects con-

for 110% of the C.I.F. value against the follow-

firmed, ratified and approved.

IN WITNESS WHEREOF, the parties hereto by their appropriate officers, have hereunto set their hands and seals the 27th day of April, 1967.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

By _____

LA SOCIETE d'EXPLOITATION et de DEVELOPMENT ECONOMIQUE et NATURAL d'HAITI (Sedren) S.A.

By _____

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

By _____

BEST COPY AVAILABLE

B 111—General Release by Corporation. 10 EXCHANGE PLACE AT BROADWAY, NEW YORK

"DEFENDANTS' EXHIBIT I IN EVIDENCE"

To all to whom these Presents shall come or may Concern,

Greeting: KNOW YE, That CONSOLIDATED HALLIWELL LIMITED (No Personal 2921
Liability)
a corporation organized and existing under and by virtue of the laws of the
of Canada for and in consideration of the sum of
ONE and 00/100----------dollars ($1.00)
lawful money of the United States of America to it in hand paid by CONTINENTAL COPPER
& STEEL INDUSTRIES, INC.

the receipt whereof is hereby acknowledged, has remised, released and forever discharged, and by these presents does for itself and its successors, remise, release and forever discharge the said CONTINENTAL COPPER & STEEL INDUSTRIES, INC., its

~~heirs, executors and administrators~~ successors and assigns of and from all manner of actions, causes of action, suits, debts, dues, sums of money, accounts, reckoning, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, in law, in admiralty, or in equity, which against the said CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

it ever had, now has or which it or its successors hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of these presents.

This release shall not apply, however, to the rights and obligations of the parties hereto under a certain Copper Purchase Agreement made as of the 1st day of April, 1959, as amended as of July 1, 1964 and January 1, 1967 or under a certain Concentrates Agreement between the said parties entered into on July 1, 1964, and amended as of the 1st day of January 1967, or to debt between the said parties.

This release may not be changed orally.

In Witness Whereof, *the said* CONSOLIDATED HALLIWELL LIMITED (No Personal Liability) *has caused its corporate seal to be hereunto affixed and these presents to be signed by its duly authorized officer on the* 28th *day of* April *19* 67.

(Corporate Seal)

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)
By [signature]

STATE OF NEW YORK *COUNTY OF* NEW YORK *ss.:*

On the 28th *day of* April *19* 67 *before me personally came* Murray Cooper *to me known, who, being by me duly sworn, did depose and say that he resides at No.* 2500 Bathurst Street, Toronto 19, Ontario *that he is the* Vice President *of* CONSOLIDATED HALLIWELL LIMITED (No Personal Liability) *the corporation described in, and which executed, the foregoing instrument; that he knows the seal of said corporation: that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of* directors *of said corporation; and that he signed his name thereto by like order.*

[signature]

ALICE T. FLYNN
NOTARY PUBLIC, State of New York
No. 30-6341000
Qualified in Nassau County
Certificate filed in New York County
Commission Expires March 30, 1968

"DEFENDANTS' EXHIBIT J IN EVIDENCE"

293A

Greeting: KNOW YE, That La Societe d'Exploitation et de Development Economique et Natural d'Haiti (Sodexen) S.A.

corporation organized and existing under and by virtue of the laws of the Republic of Haiti

for and in consideration of the sum of

One and 00/100---------- dollars ($ 1.00)

lawful money of the United States of America to it in hand paid by CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

the receipt whereof is hereby acknowledged, has remised, released and forever discharged, and by these presents does for itself and its successors, remise, release and forever discharge the said

CONTINENTAL COPPER & STEEL INDUSTRIES, INC., its

~~heirs, executors, administrators~~ successors and assigns of and from all manner of actions, causes of action, suits, debts, dues, sums of money, accounts, reckoning, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, in law, in admiralty, or in equity, which against the said

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

it ever had, now has or which it or its successors hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of these presents.

This release shall not apply, however, to the rights and obligations of the parties hereto under a certain Copper Purchase Agreement made as of the 1st day of April, 1959, as amended as of July 1, 1964, and January 1, 1967 or under a certain Concentrates Agreement between the said parties entered into on July 1, 1964, and amended as of the 1st day of January, 1967, or to debt between the said parties.

BEST COPY AVAILABLE

This release may not be changed orally.

In Witness Whereof, the said La Societe d'Exploitation et de Development Economique et Natural d'Haiti (Sedren) S.A. *has caused its corporate seal to be hereunto affixed and these presents to be signed by its duly authorized officer on the* 28th *day of* April 1967

(Corporate Seal)

LA SOCIETE d'EXPLOITATION et de DEVELOPPEMENT ECONOMIQUE de NATURAL D'Haiti (Sedren) S.A.

By [signature] Pres.

[signature]

STATE OF NEW YORK COUNTY OF NEW YORK ss.:

On the 28th day of April 1967 *before me personally came* Murray Cooper *to me known, who, being by me duly sworn, did depose and say that he resides at No.* 2500 Bathurst Street, Toronto 19, Ontario

that he is the Vice President of La Societe d'Exploitation et de Development Economique et Naturel d'Haiti (Sedren) S.A. *the corporation described in, and which executed, the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of* Directors *of said corporation, and that he signed his name thereto by like order.*

[signature]

BEST COPY AVAILABLE

with jurisdiction.

"DEFENDANTS' EXHIBIT K IN EVIDENCE"

SOCIETE D'EXPLOITATION ET DE DEVELOPPEMENT ECONOMIQUE ET NATUREL D'HAITI (SEDREN) S. A.

294X

SOCIETE ANONYME AU CAPITAL DE $ 20.000.00
PORT-AU-PRINCE, HAITI

Cable Address : SEDREN
P. O. Box No.513
Phone : 2070

/

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF SOCIETE D'EXPLOITATION ET DE DEVELOPPEMENT ECONOMIQUE ET NATUREL D'HAITI (SEDREN) S.A. HELD IN NEW YORK AT THE OFFICE OF THE COMPANY, 100 EAST 42nd. STREET, ON APRIL 1st. 1968, at 10 O'CLOCK IN THE MORNING.

Were present : Mr. Murray Cooper, President
Mr. Adolph H. Graetz, Vice-President-Treasurer
Mr. Walter H. Knorr, Member
Mr. Merryle S. Rukeyser, Member

Mr. Murray Cooper declared the meeting regularly called and duly constituted.

Mr. Cooper presented the letter of resignation dated April 1st. 1968, of Mr. Adolph H. Graetz as Treasurer of SEDREN S.A. and declared that it was necessary to elect a new Treasurer for the Corporation. M. Cooper proposed that Mr. J. M. Wainberg be elected as such.

On motion regularly moved, seconded and unanimously carried the resignation of Mr. Adolph H. Graetz was accepted and Mr. J.M. Wainberg was elected Treasurer of the Corporation.

M. Cooper declared then that it is necessary that a resolution be passed by the Board authorizing: (a) the President and Treasurer to consent to and adopt the Agreement dated as of the 15 day of March, 1968 between Consolidated Halliwell Limited of the first part, Continental Copper and Steel of the second part, and Maurice Goodman and Associates of the third part; (b) authorizing the Company to have for use outside of the Republic of Haiti an official corporate seal containing the words "SOCIETE D'EXPLOITATION ET DE DEVELOPPEMENT ECONOMIQUE ET NATUREL D'HAITI (SEDREN S.A.), HAITI" and that such corporate seal be in the custody and control of the President who is hereby authorized and directed to affix the corporate seal to all documents requiring the same.

On motion regularly moved, seconded and unanimously carried it was resolved:

SOCIETE D'EXPLOITATION ET DE DEVELOPPEMENT
ECONOMIQUE ET NATUREL D'HAITI (SEDREN) S. A.

SOCIETE ANONYME AU CAPITAL DE $ 20.000.00
PORT-AU-PRINCE, HAITI

Cable Address : SEDREN
P. O. Box No.515
Phone : 2020

Continued page 2.-

(a) The President and Treasurer are authorized to consent to and adopt the Agreement dated as of the 15 day of March, 1968 between Consolidated Halliwell Limited of the first part, Continental Copper and Steel of the second part, and Maurice Goodman and Associates of the third part;

(b) That the Company have for use outside the Republic of Haiti an official corporate seal containing the words "SOCIETE D'EXPLOITATION ET DE DEVELOPPEMENT ECONOMIQUE ET NATUREL D'HAITI (SEDREN S.A.), HAITI" and that such corporate seal be in the custody and control of the President who is hereby authorized and directed to affix the corporate seal to all documents requiring the same.

There being no further discussion, the meeting was adjourned.

Murray Cooper

Adolph H. Graetz

Walter H. Knorr

Merryle S. Rukeyser

tual covenants and conditions herein contained, it is agreed as follows:

"DEFENDANTS' EXHIBIT L IN EVIDENCE"

296A

MINUTES of a meeting of the board of directors of CONSOLIDATED HALLIWELL LIMITED held at 100 East 42nd Street, Suite 1714, New York City, N.Y., on Monday, the 8th day of April, 1968 at the hour of 11:00 o'clock in the forenoon, New York time.

PRESENT:

Murray Cooper
Adolph H. Graetz
M.S. Rukeyser
Walter H. Knorr
J.M. Wainberg

being a quorum of the directors of the Company.

FORMALITIES:

Mr. Cooper, president of the Company, acted as chairman of the meeting and Mr. Wainberg, secretary of the Company, acted as secretary of themeeting.

Notice of this meeting (Schedule A to these minutes) having been sent to all directors of the Company and a quorum of the directors being present in person, the chairman declared the meeting duly constituted for the transaction of business.

AGREEMENTS WITH MOGUL AND CONTINENTAL COPPER & STEEL:

The chairman reported on the negotiations which have been carried on with Mogul Mines Limited and National Outlook Corporation for the cancellation of outstanding debentures of the Company and the issuance of shares of the Company in settlement therefor.

The chairman produced at the meeting an agreement dated as of the 15th day of March, 1968 between the Company, of the first part, and Mogul Mines Limited, K & G Holdings Limited and National Outlook Corporation, of the second part.

The chairman also reported on the negotiations which

as that specified by the smelter at final

have been carried on with Continental Copper & Steel Industries, Inc. for the cancellation of the copper purchase agreements, the concentrates agreements, for assistance in borrowing money from the New York bank, and for settlement of the first mortgage on Sedren's mining property in Haiti.

The chairman produced an agreement dated as of the 15th day of March, 1968 between the Company, of the first part, Continental Copper & Steel Industries, Inc., of the second part, and Maurice Goodman and Associates, of the third part.

Both agreements were considered at great length. After discussion, and

UPON MOTION regularly made, seconded and unanimously carried, it was

RESOLVED that:

1. The Company do enter into the agreement dated as of the 15th day of March, 1968 between the Company and the holders of the Company's debentures in the form presented to the meeting and marked Schedule A to this resolution;

2. The Company do enter into the agreement dated as of the 15th day of March, 1968 between the Company and Continental Copper & Steel Industries, Inc. in the form presented to the meeting and marked Schedule B to this resolution;

3. The officers and directors be and they are hereby authorized and directed to do all things and sign all documents necessary or desirable for the due carrying out of the foregoing, and in particular to convene a meeting of shareholders for the purpose of approving the said agreements.

BY-LAW INCREASING AUTHORIZED CAPITAL:

The chairman presented to the meeting a draft proposed by-law increasing the authorized capital of the Company from $12,000,000 to $17,000,000. After discussion and

UPON MOTION regularly made by Mr. Graetz and seconded by Mr. Knorr and unanimously carried,

IT WAS RESOLVED that the draft by-law increasing the authorized capital of the Company from $12,000,000 to $17,000,000 be enacted as By-law E of the Company.

ANNUAL AND SPECIAL GENERAL MEETING:

UPON MOTION regularly made by Mr. Knorr and seconded by Mr. Rukeyser and unanimously carried,

IT WAS RESOLVED that:

1. an annual and general meeting of the shareholders be held on or about May 13, 1968, in the City of Quebec at such time and place as the president may in his discretion arrange;

2. the forms of notice of meeting, the information circular and proxy form as submitted to the meeting be and the same are hereby approved and adopted with authority to the president and the Company's solicitor to make such changes as in their opinion may be necessary or desirable.

FINANCIAL STATEMENT FOR 1967:

UPON MOTION regularly made by Mr. Graetz and seconded by Mr. Knorr and unanimously carried,

IT WAS RESOLVED that the Financial Statement for the year ended December 31, 1967 with auditors' report

after stated:

thereon dated April 8, 1968 be and the same is hereby approved and adopted, and that Murray Cooper and Adolph H. Graetz be and they are hereby authorized and directed to sign the same on behalf of the board of directors.

REPORT OF MINE MANAGER:

UPON MOTION regularly made by Mr. Graetz and seconded by Mr. Knorr and unanimously carried,

IT WAS RESOLVED that the report, dated February 22, 1968 for the fiscal year ending December 31, 1967 by T.R. Clark, Mine Manager at Sedren's mine in Haiti, be and the same is hereby adopted.

FILING STATEMENT:

UPON MOTION regularly made by Mr. Graetz and seconded by Mr. Rukeyser and unanimously carried,

IT WAS RESOLVED that the draft filing statement for filing with the Toronto Stock Exchange reflecting the said agreements, as submitted to the meeting, be and the same is hereby approved and adopted and that the president and secretary be and they are hereby authorized to make such changes as they in their opinion deem necessary or desirable.

BANKING - MARINE MIDLAND, NEW YORK:

UPON MOTION regularly made, seconded and unanimously carried,

IT WAS RESOLVED that the Marine Midland Grace Trust Company of New York be and it is hereby appointed depository of the Company for Canadian and United States

funds with signing authority given to any two of Murray Cooper, Adolph H. Graetz, Thomas J. Kennedy, Carlos Castro, Norman B. Mullen, and Walter H. Knorr in form No. 1664 annexed as Schedule C to the minutes of this meeting.

BANKING - ROYAL BANK OF CANADA, TORONTO:

UPON MOTION regularly made, seconded and unanimously carried,

IT WAS RESOLVED that the Royal Bank of Canada, Toronto be and it is hereby appointed banker of the Company for Canadian and United States funds, with signing authority given to any two of Murray Cooper, Adolph H. Graetz, Thomas J. Kennedy, Carlos Castro, Norman B. Mullen and Walter H. Knorr in form No. 203 annexed as Schedule D to the Minutes of this meeting.

LOST CERTIFICATE - BURNHAM:

WHEREAS Burnham and Co., 60 Broad Street, New York, N. Y., has filed with the Company proof of loss of certificates numbers, NT 60302-60331 issued in the name of Burnham and Co. aggregating 3,000 shares;

AND WHEREAS the said Burnham and Co. has applied to the Canada Permanent Trust Corporation, transfer agents, for the issuance of new certificates for 3,000 shares of Consolidated Halliwell Limited to replace the lost certificates and have furnished an open penalty bond of the Western Assurance Company to indemnify and save harmless the Company and the transfer agent, their successors andassigns from and against any and all costs, actions, suits, damages, charges or expenses intended upon the issuance of the certificates

in place of the lost certificates; be it:

RESOLVED that Canada Permanent Trust Corporation be and it is hereby authorized to issue new certificates for 3,000 shares of Consolidated Halliwell Limited in place of the said lost certificates in the name of the said Burnham and Co.

LOST CERTIFICATE - ARNOLD:

WHEREAS Paul B. Arnold and Marie C. Arnold, 5775 Herma Street, San Jose, California, have filed with the Company proof of loss of certificate number 53091 issued in the names of Paul B. Arnold and Marie C. Arnold aggregating 600 shares;

AND WHEREAS the said Paul B. Arnold and Marie C. Arnold have applied to the Canada Permanent Trust Corporation, transfer agents, for the issuance of a new certificate for 600 shares of Consolidated Halliwell Limited to replace the lost certificate and have furnished an open penalty bond of the Insurance Company of North America to indemnify and save harmless the Company and the transfer agent, their successors and assigns from and against any and all costs, actions, suits, damages, charges or expenses intended upon the issuance of the certificate in place of the lost certificate; be it:

RESOLVED that Canada Permanent Trust Corporation be and it is hereby authorized to issue new certificate for 600 shares of Consolidated Halliwell Limited in place of the said lost certificate in the names of the said Paul B. Arnold and Marie C. Arnold.

CONCLUSION OF MEETING:

There being no further business, the meeting then concluded.

Chairman

Secretary

RATIFIED at a meeting of the board held May 13 1968

Chairman

"DEFENDANTS' EXHIBIT M IN EVIDENCE"

303A

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Suite 714, 62 Richmond St. West
Toronto 1, Ontario

NOTICE OF ANNUAL AND SPECIAL GENERAL
MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual and Special General Meeting of the Shareholders of CONSOLIDATED HALLIWELL LIMITED (No Personal Liability) will be held in the Chateau Frontenac Hotel, Place d'Arme, Quebec City, Quebec, on Monday, the 13th day of May, 1968, at the hour of 11:00 o'clock in the forenoon (Quebec time) for the following purposes:

(a) to receive, consider and, if deemed advisable, to approve the consolidated balance sheet of the Company and accompanying financial statements for the year ended December 31, 1967, together with the Auditors' Report thereon dated April 8, 1968 and all the transactions reflected thereby, the Report by the President on behalf of the board of directors dated April 1, 1968, the Report by the Mine Manager of the Company's wholly-owned subsidiary, (Socie e D'Exploitation et de Developpement Economique et Naturel D'Haiti (Sedren) S.A.) dated February 22, 1968, all contained in the Annual Report submitted herewith;

(b) to elect directors;

(c) to appoint auditors and authorize the Board to fix their remuneration;

(d) to consider, and if deemed advisable, to approve, with or without variation, a resolution passed by the board of directors on the 8th day of April, 1968, and the agreements therein referred to, all as referred to in the accompanying Information Circular and schedule 1;

(e) to consider, and if deemed advisable, to approve, with or without variation, By-Law No. E increasing the authorized capital of the company, as referred to in the accompanying Information Circular and schedule 2;

(f) if By-Law E is approved, to consider and if deemed advisable, to ratify with or without variation, a by-law to be enacted by the board, authorizing the board to issue shares at a premium or at a discount of their par value, as set out in schedule 3 to the accompanying Information Circular;

(g) to transact such other business as may properly come before the meeting.

Shareholders who will not be attending the meeting are respectfully requested to complete, sign and return the proxy form accompanying this notice.

DATED at Toronto, Ontario, this 18th day of April, 1968.

On behalf of the board of directors,

J.M. WAINBERG,
Secretary.

EX 103
F.D.
6/27/72

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

INFORMATION CIRCULAR

1. Solicitation of Proxies

This information circular is furnished by the management of Consolidated Halliwell Limited (the "Company") in connection with the solicitation of proxies to be used at the annual and special general meeting of shareholders of the Company to be held in Quebec in accordance with the annexed notice of meeting. In addition to the use of mail, proxies may also be solicited at no cost to the Company by directors, officers and regular employees of the Company personally or by phone. The Company may pay brokers and fiduciaries their reasonable expenses for sending proxy material to principals. The Company will bear the cost of this solicitation.

2. Appointment and Revocation of Proxies

The persons named as proxies in the accompanying proxy form are officers and directors of the Company and nominees of management ("management's proxies"). Every shareholder has the right to appoint some other person to represent him at the meeting. The shareholder may exercise this right either by striking out the printed names in the proxy form and inserting another name and initialling the change, or by completing another proxy form in similar form. In either case, the completed proxy form must be delivered to the Company. No person may act as proxy unless he is entitled on his own behalf to be present and vote at the meeting or has been appointed to act at the meeting as proxy for a corporation.

A shareholder who has given a proxy form has the right to revoke it and may do so (a) by signing a proxy form bearing a later date or (b) by signing a notice of revocation of the proxy, and depositing it at the head office of the Company before the day of the meeting or with the chairman of the meeting on the date of the meeting. A shareholder, by attending the meeting and voting, nullifies any proxy he has given.

3. Exercise of Discretion by Proxies

Management's proxies intend to vote the shares in respect of which they are appointed for the approval of the financial statements (including the balance sheet and related statements), and all the transactions reflected thereby, for the election of directors, the appointment of auditors, the approval of By-law E increasing the authorized capital, the ratification of a discount by-law and the approval of the reorganization resolution and the agreements referred to therein, consolidating the Company's debts, all as stated in this circular and the schedules attached. At the date of this circular, the management of the Company is not aware that any amendments or variations or matters are to be presented for action at the meeting other than as referred to in the accompanying Notice of Meeting.

4. Election of Directors

The board consists of seven directors who hold office until the next annual meeting following their election or appointment or until their successors are duly elected or appointed.

Management's proxies intend to nominate and cast all their votes for the election of the following:

Name of nominee and office held in Company	Principal occupation during past five years	Director of Company since	Shares owned beneficially
GEORGES BAUSSAN, Fils Director and Vice-President	Lawyer, self-employed in the practice of law in Port-au-Prince, Haiti.	1955	1
MURRAY COOPER Director and President	Mining Executive, President and Director of Silver-Miller Limited and other companies, Toronto	1960	1
ADOLPH H. GRAETZ Director and First Vice-President	Corporation Executive, Director and Vice-President of National Outlook Corporation, New York, Director and Treasurer of Panacolor Inc., New York.	1960	1
FREDERICK B. GROSSELFINGER To be nominated	Consulting Chemical Engineer Consulting Engineer to Farbwerke Hoechst A.G. New York, formerly president of Hoechst-Uhde Corp. of New York		96,500
THOMAS J. KENNEDY To be nominated	Corporation Executive, Vice-President of CCS Mining Company Ltd., a subsidiary of Continental Copper & Steel Industries, Inc., New York.		1
MERRYLE S. RUKEYSER Director	Consultant Economist, Director and President of National Outlook Corporation; Director of Deuterium Corp., New York.	1967	1
J.M. WAINBERG, Q.C. Director and Secretary-Treasurer of the Company	Lawyer, self employed in the practice of law, Toronto.	1967	1

The above information as to shares beneficially owned, directly or indirectly, has been furnished by each nominee. Management is not presently aware that any of the above nominees are unwilling or unavailable to serve as a director if elected. But should any vacancy occur, management's proxies will nominate and cast all their votes for the election of substitute nominees of their choice.

5. Appointment of Auditors

The shares represented by management's proxies will be voted for the re-appointment, as auditors of the Company, of Thorne, Gunn, Helliwell & Christenson, which firm and its predecessor, Thorne, Mulholland, Howson & McPherson, have been auditors of the Company for more than five years.

6. Other Matters

In addition to the routine business of an annual meeting, the only other business (of which management is now aware)on which action will be taken will be the submission to the meeting:

(a) for approval, a resolution of the board of directors authorizing the Company to enter into (i) an agreement dated as of the 15th day of March, 1968, between the Company and the debentureholders and (ii) an agreement dated as of the 15th day of March, 1968, between the Company and Continental Copper & Steel Industries, Inc. and others (for the resolution and the agreements, see schedule 1, pages 5 to 14).

(b) for approval, by-law E, increasing the authorized capital of the Company from $12,000,000 to $17,000,000 by the creation of an additional 5,000,000 shares of the par value of one dollar each (see schedule 2 attached);

(c) if by-law E is approved, for ratification, a by-law authorizing the board to issue the newly created shares at a premium or at a discount of their par value (see schedule 3 attached).

In the opinion of management, the increase in the capital is required in order to carry out the terms of the reorganization agreements referred to in paragraph 6, and to provide future capital for the Company. To become effective By-law E requires a voting majority of at least two-thirds. Management's proxies intend to cast all their votes in favour of the above proposals.

7. Remuneration of Directors and Officers

During the past fiscal year the aggregate direct remuneration paid or payable by the Company (including its subsidiaries) to its directors and senior officers was $31,372.00 (Canadian Funds).

The Company pays its directors and officers $100 plus reasonable travelling expenses for each meeting of directors and shareholders attended by them, and pays $200 per month for secretarial services.

There are no pension or retirement benefits proposed to be paid to directors or senior officers of the Company. No stock options have been granted to directors or officers during the past fiscal year and none are in existence.

8. Voting Shares and Principal Holders

All shareholders of record at the time of the meeting are entitled to one vote for each share held. On the date of this information circular there were 11,936.674 equity shares outstanding all of one class.

To the knowledge of the directors or senior officers of the Company, no person or corporation has more than 10 per cent of the issued and outstanding shares of the Company.

9. Interest in Material Transactions

No director, senior officer or proposed nominee for election as a director of the Company or any associate or affiliate of any of them had any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year or has any material interest in any proposed transaction except that Messrs. Graetz and Rukeyser are officers and directors of National Outlook Corporation, which holds $150,000 in principal value of the Company's outstanding debentures, and Mr. Kennedy is an officer and director of CCS Mining Company Limited, a subsidiary of Continental Copper & Steel Industries, Inc. which holds a first mortgage on the property of Sedren S.A. (the Company's wholly owned subsidiary in Haiti) and which is the Company's exclusive agent-purchaser for the Company's production. Reference is made to the notes to the accompanying Consolidated Financial Statement for the year ended December 31, 1967, for transactions between the Company and Continental Copper & Steel Industries, Inc.

Submitted on behalf of the management of Consolidated Halliwell Limited, this 18th day of April, 1968.

SCHEDULE 1

Resolution of the Board of Directors
Passed on the 8th day of April, 1968

Resolved that:

1. The Company do enter into the agreement dated as of the 15th day of March, 1968 between the Company and the holders of the Company's debentures in the form presented to the meeting and marked Schedule A to this resolution;

2. The Company do enter into the agreement dated as of the 15th day of March, 1968 between the Company and Continental Copper & Steel Industries, Inc. in the form presented to the meeting and marked Schedule B to this resolution;

3. The officers and directors be and they are hereby authorized and directed to do all things and sign all documents necessary or desirable for the due carrying out of the foregoing, and in particular to convene a meeting of shareholders for the purpose of approving the said agreements.

SCHEDULE A

THIS AGREEMENT dated as of the 15th day of March, 1968.

BETWEEN:

CONSOLIDATED HALLIWELL LIMITED (No Personal Liability), a company incorporated under the laws of the Province of Quebec, (herein called "Halliwell")

OF THE FIRST PART

- and -

MOGUL MINES LIMITED, K & G HOLDINGS LIMITED, and NATIONAL OUTLOOK CORPORATION, (herein collectively called the "Debentureholders"),

OF THE SECOND PART

WHEREAS Halliwell has issued and there are outstanding $2,907,000 (Canadian) principal amount of 6½% Sinking Fund Debentures due May 31, 1970 (the "Debenture") held by the Debentureholders, which Debentures are in default with respect to both principal and accrued interest thereon, in an amount aggregating $3,577,920.43 as of March 31, 1968;

AND WHEREAS the Debentureholders have agreed to exchange their Debentures (and the accrued interest thereon) for shares of Halliwell, on the terms and subject to the conditions hereinafter set forth;

NOW THIS AGREEMENT WITNESSES that in consideration of the mutual covenants herein contained the parties hereto do hereby agree each with the other as follows:

1. The Debentureholders hereby agree to exchange the outstanding Debentures of Halliwell owned by them respectively (aggregating $2,907,000 principal amount) and accrued interest thereon to March 31, 1968 (aggregating $670,920.43) for an aggregate of 1,574,285 shares of the par value of $1 each of Halliwell, which shares shall be issued to the Debentureholders, pro rata, forthwith upon fulfilment of the conditions

referred to in paragraph 3 as fully paid and non-assessable shares free from any escrow or other restriction.

2. Upon delivery to the Debentureholders of the 1,574,285 shares of Halliwell described in paragraph 1 hereof, all the outstanding Debentures shall be cancelled and the Trust Indenture between Halliwell and Guaranty Trust Company of Canada, as Trustee securing the said Debentures shall be automatically cancelled.

3. This agreement shall be subject to fulfilment of the following conditions on or before May 15, 1968:

(a) approval of the shareholders of Halliwell to this agreement;

(b) approval of the shareholders of Halliwell to an agreement dated as of March 15, 1968 between Halliwell and Continental Copper & Steel Industries, Inc. providing, inter alia, for the guarantee of a loan to Halliwell of $300,000 (U.S.) by a New York bank and for the settlement of the outstanding indebtedness of Halliwell's wholly-owned subsidiary La Societe d'Exploitation et de Development Economique et Natural d'Haiti S.A.;

(c) issuance of supplementary letters patent increasing the authorized capital of Halliwell from $12,000,000 to $17,000,000 divided into shares of the par value of One Dollar ($1) each;

(d) acceptance for filing by the Toronto Stock Exchange of a filing statement reflecting this agreement and the agreement referred to in paragraph 3(b); and

(e) a ruling shall have been obtained under the provisions of The Securities Act, 1966 (Ontario), as amended, to the effect that any sale by Debentureholders of the shares of Halliwell to be issued as referred to in paragraph 1 hereof shall not constitute a primary distribution to the public and that the Debentureholders will be exempt from the prospectus requirements of the said Act at the time

of any subsequent sale or sales by the Debentureholders of such shares or any of them.

4. The parties hereto shall execute and deliver such further assurances and documents as may be necessary or as counsel for Halliwell or the Debentureholders may deem desirable to effectuate this agreement.

5. This agreement may be executed in one or more counterparts and shall become effective upon execution thereof by the holders of at least 75 per cent of the principal amount of the outstanding Debentures.

6. This agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and assigns.

IN WITNESS WHEREOF this agreement (comprising all counterparts) has been duly executed by all the parties hereto.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Per MURRAY COOPER, President

c/s J.M. WAINBERG, Secretary

MOGUL MINES LIMITED

G.D. PATTISON, Vice-President

c/s R.D. BELL, Secretary

K & G HOLDINGS LIMITED

Per

c/s

NATIONAL OUTLOOK CORPORATION

MERRYLE S. RUKEYSER, President

c/s

ADOLPH H. GRAETZ, Vice-President

SCHEDULE B

THIS AGREEMENT dated as of the 15th day of March, 1968

BETWEEN:

CONSOLIDATED HALLIWELL LIMITED (No Personal Liability), a company incorporated under the laws of the Province of Quebec,

(herein called "Halliwell")

OF THE FIRST PART

-and-

CONTINENTAL COPPER & STEEL Industries, Inc., a company incorporated under the laws of the State of Delaware,

(herein called "Continental")

OF THE SECOND PART

-and-

MAURICE GOODMAN AND ASSOCIATES,

OF THE THIRD PART

WHEREAS by agreement dated April 1, 1959, as amended by agreements dated as of July 1, 1964 and January 1, 1967 (collectively the "Copper Purchase Agreement"), all between Halliwell, Halliwell's wholly-owned Haitian subsidiary La Societe d'Exploitation et de Development Economique et Natural d" Haiti (Sedren) S.A. ("Sedren"), and Continental, Sedren agreed to sell and Continental agreed to purchase the first 80,000,000 pounds of copper metal in wire bar recovered by Sedren from the copper concentrates produced by Sedren from its mine in the Republic of Haiti;

AND WHEREAS by agreement dated as of July 1, 1964 as amended by agreement dated as of January 1, 1967 (collectively the "Concentrates Agreement") both between Continental, Sedren and Halliwell, Sedren agreed to sell and Continental agreed to purchase

the total production of copper concentrates produced by Sedren and, it was provided that for such period as Sedren delivered copper concentrates to Continental pursuant to the Concentrates Agreement, Sedren would be excused from the delivery to Continental of wire bar pursuant to the Copper Purchase Agreement;

AND WHEREAS all of the aforesaid agreements and releases issued thereunder are hereby ratified, confirmed and approved in all respects;

AND WHEREAS it is in the interest of Halliwell and Sedren to have the Copper Purchase Agreement and the Concentrates Agreement terminated in order that Halliwell may on its own behalf market the products of Sedren notwithstanding that upon such termination Sedren would become obligated to pay to Continental by way of liquidated damages and not as a penalty the sum of $323,868 which sum is equal to the discounts to which Continental would have become entitled in respect of the undelivered 16,193,406 pounds of the 80,000,000 pounds of copper required to be delivered under the Copper Purchase Agreement;

AND WHEREAS Halliwell requires additional financing in the amount of $300,000 (U.S.) if the mine of Sedren is to continue in operation;

AND WHEREAS Continental has agreed to the termination of the Copper Purchase Agreement and the Concentrates Agreement and to the settlement of the outstanding Sedren indebtedness and has also agreed to provide guarantees sufficient to enable Halliwell to obtain its required additional financing, all upon the terms and subject to the conditions hereinafter set forth:

NOW, THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants hereinafter contained,

the parties do hereby agree each with the other as follows:

1. Continental shall provide such guarantees as may be necessary to enable Halliwell and/or Sedren to borrow on normal banking terms the sum of $200,000 (U.S.) from a New York bank which sum shall be repayable in not less than two years and not more than three years; and Maurice Goodman and Associates agree to provide for $100,000 (U.S.) which sum shall be repayable in not less than two years and not more than three years.

2. The first mortgage obligation of Sedren originally issued by Sedren to Continental to secure a loan of $1,500,000 (U.S.) of which the principal sum of $250,000 (U.S.) is now past due and payable, together with the accrued and unpaid interest thereon to March 31, 1968 of $76,343.96 (U.S.) (aggregating $326,343.96 shall be payable with interest at 6% in instalments of $50,000 on the 1st days of January and July beginning on the 1st day of January, 1969, and the balance thereof shall be payable on the 1st day of July, 1971, such payments to be applied firstly on account of interest at the rate of 6 per cent per annum and the balance to be applied on account of principal with the privilege of repaying any amount at any time without notice or bonus.

3. The Copper Purchase Agreement and the Concentrates Agreement shall be terminated as of March 31, 1968 or as soon thereafter as the shipment scheduled to leave Haiti between March 28 and March 31 has left; the intention being that

with the said shipment, all interest of Continental in Sedren's ore or agreements respecting Sedren's ore is terminated.

4. Halliwell shall forthwith allot and issue to Continental, or as Continental may in writing direct, shares of the par value of $1.00 each in the capital stock of Halliwell as fully paid and non-assessable shares free of any escrow or other restriction as follows:

   (a) 150,000 shares as consideration for providing the bank guarantees referred to in paragraph 1;

   (b) 359,100 shares in full payment and satisfaction of the liquidated damages of $323,868 payable by Sedren to Continental upon termination of the Copper Purchase Agreement.

5. Halliwell shall pay to Continental the sum of $109,836 (U.S.) in instalments of $10,000 each on the 1st days of January, April, July and October, beginning on the 1st day of January, 1969 and the balance on or before the 1st day of July, 1970 in full payment and satisfaction of the discount in the said amount which will be outstanding as at March 31, 1968 and which is payable by Sedren to Continental pursuant to the Copper Purchase Agreement provided however that Continental may on or before May 1, 1970 convert all or any part of the unpaid portion of the said sum of $109,836 (U.S.) into fully paid and non-assessable shares of Halliwell of the par value of $1.00 each at the price of $1.25 (Canadian) per share.

6. This agreement shall be subject to fulfilment of the following additional conditions on or before May 15, 1968.

(a) approval of the shareholders of Halliwell to this agreement.

(b) approval of the shareholders of Halliwell to an agreement dated as of March 15, 1968 between Halliwell and the holders of the outstanding $2,907,000 principal amount of 6-1/2% Sinking Fund Debentures of Halliwell providing, inter alia, for the cancellation of $1,308,150 principal amount of said Debentures and the accrued interest thereon and the conversion of the remaining $1,598,850 principal amount of said Debentures together with the accrued and unpaid interest thereon to March 31, 1968 into 1,574,285 fully paid and non-assessable shares of Halliwell of the par value of $1.00 each;

(c) issuance of supplementary letters patent increasing the authorized capital of Halliwell from $12,000,000 to $17,000,000 divided into shares of the par value of $1.00 each;

(d) acceptance for filing by the Toronto Stock Exchange of a filing statement reflecting this agreement and the agreement referred to in paragraph 6 (b);

(e) subject to the authorization of the Office of Foreign Direct Investments, Department of Commerce, Washington, D.C. to the aforesaid guarantee of Continental.

7. In the event that any one or more conditions of this agreement are not fulfilled, either party may on ten days written notice to the other cancel this agreement, in which event the Copper Purchase and Concentrates Agreements shall continue in full force and effect.

8. Forthwith upon the execution hereof, Halliwell shall convene a general meeting of its shareholders for the purpose of effectuating this agreement.

9. The parties hereto shall execute and deliver such further assurances and documents as may be necessary or as counsel for either party may deem desirable to effectuate this agreement.

10. This agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and assigns.

IN WITNESS WHEREOF, this agreement has been duly executed by all the parties hereto.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Per MURRAY COOPER, President

c/s

Per J.M. WAINBERG, Secretary

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

Per WALTER H. KNORR, Vice-President

c/s

Per H. KELLER, Secretary

MAURICE GOODMAN AND ASSOCIATES

Per MAURICE GOODMAN

THE ABOVE AGREEMENT IS hereby consented to and adopted by

SOCIETE d'EXPLOITATION et de DEVELOPPEMENT
ECONOMIQUE et NATURAL d'HAITI (SEDREN) S.A.

Per MURRAY COOPER, President

c/s

Per J.M. WAINBERG, Treasurer

SCHEDULE 2

BY-LAW E

being a by-law authorizing a petition for supplementary letters patent increasing the authorized capital of the Company.

WHEREAS the authorized capital of the Company is $12,000,000 divided into 12,000,000 shares of the par value of one dollar ($1.00) each, of which 11,936,674 shares have been issued and are outstanding and fully paid; and

WHEREAS it is deemed necessary and expedient in the interest of the Company that the authorized capital of the Company be increased as herein provided;

NOW THEREFORE BE IT ENACTED AND IT IS HEREBY ENACTED as By-law No. E. of Consolidated Halliwell Limited (No Personal Liability) (herein called the "Company") that:

1. The authorized capital of the Company be and is hereby increased from $12,000,000 to $17,000,000 by the creation of 5,000,000 additional shares of the par value of one dollar ($1.00) each ranking pari passu in all respects with the existing shares of the Company;

2. The officers and directors be and they are hereby authorized and directed to do all things and sign all documents necessary or desirable for the due carrying out of the foregoing, and in particular to petition for supplementary letters confirming this by-law.

ENACTED this 8th day of April, 1968.

SCHEDULE 3

Draft by-law to be enacted as By-law F by the board on May 13, 1968.

BE IT ENACTED AND IT IS HEREBY ENACTED AS By-law No. F of Consolidated Halliwell Limited (No Personal Liability) :

THAT the board of directors be and it is hereby authorized from time to time to issue by resolution, upon such terms and conditions as it deems advantageous, any of the shares of the company with par value of one dollar ($1.00) each, at any premium above their par value or at a discount not exceeding sixty per cent (60%) of their par value, so that the issue price of each such share shall not be less than, but may be more than, forty cents (40¢).

"DEFENDENTS' EXHIBIT N IN EVIDENCE"

3181

MINUTES of the Annual and Special General meeting of the shareholders of CONSOLIDATED HALLIWELL LIMITED, held at the Chateau Frontenac Hotel, Place d'Arme, Quebec City, Quebec, on Monday, the 13th day of May, 1968, at the hour of 11:00 o'clock in the forenoon, (Quebec time).

FORMALITIES:

Mr. Murray Cooper, the president of the Company, called the meeting to order and acted as chairman of the meeting, and Mr. Wainberg, the secretary of the Company, acted as secretary of the meeting. The chairman appointed Mr. Wainberg as scrutineer.

NOTICE OF MEETING:

Notice calling this meeting of shareholders was sent on April 26, 1968, to all shareholders of record in accordance with the bylaws of the Company, as evidenced by the declaration of Mr. R. P. Spackman, Manager of the Corporate Services Department of the Canada Permanent Trust Company, Registrar and Transfer Agent for the Company. The declaration is annexed to these minutes as Schedule "A".

ATTENDANCE:

The scrutineer reported that there were seven shareholders present in person holding 35,005 shares, and 3,602,870 shares were represented by proxy: 3,599,770 in favour of Murray Cooper; 3,000 in favour of F. B. Grosselfinger; and 100 in favour of J. M. Wainberg. The chairman adopted the

BEST COPY AVAILABLE

report of the scrutineer and declared accordingly. The scrutineer's report is annexed to these minutes as Schedule "B".

CONSTITUTION OF MEETING:

The chairman declared that notice had been duly given to all registered shareholders in accordance with the bylaws, that there was a quorum present, and that the meeting was duly constituted for the transaction of business.

MINUTES OF PREVIOUS MEETING:

The chairman advised the meeting that the minutes of the last meeting of shareholders were available for perusal by the shareholders and would be read if any shareholders so desired.

ANNUAL REPORT:

The chairman presented to the meeting the financial statement for the year ended December 31, 1967, including the balance sheet and accompanying statements together with the auditors' report thereon by Thorne, Gunn, Helliwell & Christenson, Chartered Accountants, the report of the president on behalf of the board of directors, and the report of the mine manager of Sedren, dated the 22nd day of February, 1968, all contained in the annual report mailed to the shareholders with the notice of this meeting. The secretary read the auditors' report dated the 26th day of April, 1968, to the meeting. A copy of the financial report is annexed to these minutes as part of Schedule "A".

ELECTION OF DIRECTORS:

The chairman called for nominations for directors of the Company and the following were nominated:

Georges Baussan, Fils
Murray Cooper
Adolph H. Graetz
Frederick B. Grosselfinger
Thomas J. Kennedy
Merryle S. Rukeyser
J. M. Wainberg

Upon motion duly made by Mr. Baussan, seconded by Mr. Grosselfinger and unanimously carried, it was

RESOLVED that nominations be closed.

No shareholder demanded a ballot. The chairman then declared Georges Baussan, Fils, Murray Cooper, Adolph H. Graetz, Frederick B. Grosselfinger, Thomas J. Kennedy, Merryle S. Rukeyser and J. M. Wainberg to be duly elected directors of the Company, to hold office until their successors are duly elected or appointed.

APPOINTMENT OF AUDITORS:

Upon motion duly made by Mr. Grosselfinger, seconded by Mr. Graetz and carried, it was

RESOLVED that Messrs. Thorne, Gunn, Helliwell & Christenson, Chartered Accountants, be and they are hereby appointed auditors of the Company for the current fiscal year, and the board of directors be and it is hereby authorized to fix the remuneration of the auditors.

RESOLUTION APPROVING AGREEMENTS:

Upon motion duly made by Mr. Graetz, seconded by Mr. Rukeyser and carried, it was

RESOLVED that a resolution passed by the board of directors on the 8th day of April, 1968, relating to an agreement between the Company and the holders of the Company's debentures dated the 15th day of March, 1968; and an agreement between the Company and Continental Copper & Steel Industries, Inc. and Maurice Goodman & Associates dated the 15th day of March, 1968, be and the same is hereby approved.

A copy of the resolution is annexed to these minutes as Schedule "C".

BYLAW E:

The chairman presented to the meeting Bylaw E which was enacted by the board of directors on April 8, 1968. Bylaw E is a bylaw increasing the authorized capital of the Company from $12,000,000 to $17,000,000 by the creation of 5,000,000 additional shares of the par value of one dollar ($1) each ranking pari passu in all respects with the existing shares of the Company. Upon motion duly made by Mr. Graetz, seconded by Mr. Rukeyser and carried, it was

RESOLVED that Bylaw E enacted by the board of directors on April 8, 1968, increasing the authorized capital of the Company from $12,000,000 to $17,000,000, as presented to the meeting, be and the same is hereby confirmed and approved.

A copy of Bylaw E is annexed to these minutes as Schedule "D".

37A

322A

ADJOURNMENT:

Upon motion duly made by Mr. Grosselfinger, seconded by Mr. Graetz and unanimously carried, it was

RESOLVED that the meeting be adjourned, to be reconvened at 2:00 p.m. on same date at same place.

MINUTES of the Annual and Special General meeting of the shareholders, reconvened at 2:00 p.m. on the 13th day of May, 1968.

FORMALITIES:

The president, Mr. Cooper, presided as chairman, and the secretary, Mr. Wainberg, acted as secretary.

BYLAW F:

The chairman advised the meeting that during the adjournment, the Provincial Secretary of Quebec had approved the application by the Company for supplementary letters patent in accordance with Bylaw E, and that it would be in order to consider draft Bylaw F. Upon motion duly made by Mr. Rukeyser, seconded by Mr. Baussan and carried, it was

RESOLVED that Bylaw F enacted by the board of directors on May 13, 1968, as presented to the meeting, authorizing the Company to issue its shares at a discount not exceeding 60 per cent, be and the same is hereby confirmed

and approved.

A copy of Bylaw F is annexed to these minutes as Schedule "E".

ADJOURNMENT:

Upon motion duly made by Mr. Graetz, seconded by Mr. Grosselfinger and carried, it was

RESOLVED that the meeting adjourn to resume in the Chateau Frontenac, Quebec, on Monday, the 27th day of May, 1968, at 11:00 o'clock in the forenoon, Quebec time, and that notice to the shareholders of such adjournment be dispensed with.

Chairman

Secretary

VERIFIED at a meeting of the shareholders held

Chairman

SCHEDULE "A"

C A N A D A

Province of Quebec

TO WIT:

)IN THE MATTER of the mailing of a
)Notice calling the Annual and
)Special General Meeting of Share-
)holders of CONSOLIDATED HALLIWELL
)LIMITED for Monday, the 13th day
)of May, 1968.

I, Robert P. Spackman of the City of Montreal, in the Province of Quebec, do solemnly declare:

1. THAT I am the Manager of the Corporate Services Department of Canada Permanent Trust Company, Montreal, Quebec, Transfer Agent and Registrar of CONSOLIDATED HALLIWELL LIMITED, and as such have knowledge of the matters herein deposed to.

2. THAT I did on April 26, 1968, cause to be deposited in Her Majesty's Mail at Montreal, Quebec, postage prepaid, the Notice calling the Annual and Special General Meeting of the Shareholders of CONSOLIDATED HALLIWELL LIMITED and containing an Information Circular, with Proxy Form, Annual Report and Return Envelope addressed to the Secretary of the Company, true copies of which are annexed hereto and marked as Exhibits "A", "B", "C" and "D" respectively to this my Declaration, addressed to each of the registered Shareholders of CONSOLIDATED HALLIWELL LIMITED, HALLIWELL GOLD MINES LIMITED and HALLIWELL MINES LIMITED, at his, her or its address as appeared upon the Register of Shareholders on the 19th day of April, 1968.

AND I make this Declaration conscientiously, believing it to be true, and knowing that it is of the same force and effect as if made under Oath and by virtue of "The Canada Evidence Act".

DECLARED before me at the)
City of Montreal, in the)
Province of Quebec, this)
26th day of April, 1968.)

Robert P. Spackman

M A Lane

Commissioner for Oaths
District of Montreal

324A

EXHIBIT "A"

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Suite 714, 62 Richmond St. West
Toronto 1, Ontario

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual and Special General Meeting of the Shareholders of CONSOLIDATED HALLIWELL LIMITED (No Personal Liability) will be held in the Chateau Frontenac Hotel, Place d'Arme, Quebec City, Quebec, on Monday, the 13th day of May, 1968, at the hour of 11:00 o'clock in the forenoon (Quebec time) for the following purposes:

(a) to receive, consider and, if deemed advisable, to approve the consolidated balance sheet of the Company and accompanying financial statements for the year ended December 31, 1967, together with the Auditors' Report thereon dated April 8, 1968 and all the transactions reflected thereby, the Report by the President on behalf of the board of directors dated April 1, 1968, the Report by the Mine Manager of the Company's wholly-owned subsidiary, (Societe D'Exploitation et de Developpement Economique et Naturel D'Haiti (Sedren) S.A.) dated February 22, 1968, all contained in the Annual Report submitted herewith;

(b) to elect directors;

(c) to appoint auditors and authorize the Board to fix their remuneration;

(d) to consider, and if deemed advisable, to approve, with or without variation, a resolution passed by the board of directors on the 8th day of April, 1968, and the agreements therein referred to, all as referred to in the accompanying Information Circular and schedule 1;

(e) to consider, and if deemed advisable, to approve, with or without variation, By-Law No. E increasing the authorized capital of the company, as referred to in the accompanying Information Circular and schedule 2;

(f) if By-Law E is approved, to consider and if deemed advisable, to ratify with or without variation, a by-law to be enacted by the board, authorizing the board to issue shares at a premium or at a discount of their par value, as set out in schedule 3 to the accompanying Information Circular;

(g) to transact such other business as may properly come before the meeting.

Shareholders who will not be attending the meeting are respectfully requested to complete, sign and return the proxy form accompanying this notice.

DATED at Toronto, Ontario, this 18th day of April, 1968.

On behalf of the board of directors,

J.M. WAINBERG,
Secretary.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

INFORMATION CIRCULAR

1. Solicitation of Proxies

This information circular is furnished by the management of Consolidated Halliwell Limited (the "Company") in connection with the solicitation of proxies to be used at the annual and special general meeting of shareholders of the Company to be held in Quebec in accordance with the annexed notice of meeting. In addition to the use of mail, proxies may also be solicited at no cost to the Company by directors, officers and regular employees of the Company personally or by phone. The Company may pay brokers and fiduciaries their reasonable expenses for sending proxy material to principals. The Company will bear the cost of this solicitation.

2. Appointment and Revocation of Proxies

The persons named as proxies in the accompanying proxy form are officers and directors of the Company and nominees of management ("management's proxies"). Every shareholder has the right to appoint some other person to represent him at the meeting. The shareholder may exercise this right either by striking out the printed names in the proxy form and inserting another name and initialling the change, or by completing another proxy form in similar form. In either case, the completed proxy form must be delivered to the Company. No person may act as proxy unless he is entitled on his own behalf to be present and vote at the meeting or has been appointed to act at the meeting as proxy for a corporation.

A shareholder who has given a proxy form has the right to revoke it and may do so (a) by signing a proxy form bearing a later date or (b) by signing a notice of revocation of the proxy, and depositing it at the head office of the Company before the day of the meeting or with the chairman of the meeting on the date of the meeting. A shareholder, by attending the meeting and voting, nullifies any proxy he has given.

3. Exercise of Discretion by Proxies

Management's proxies intend to vote the shares in respect of which they are appointed for the approval of the financial statements (including the balance sheet and related statements), and all the transactions reflected thereby, for the election of directors, the appointment of auditors, the approval of By-law E increasing the authorized capital, the ratification of a discount by-law and the approval of the reorganization resolution and the agreements referred to therein, consolidating the Company's debts, all as stated in this circular and the schedules attached. At the date of this circular, the management of the Company is not aware that any amendments or variations or matters are to be presented for action at the meeting other than as referred to in the accompanying Notice of Meeting.

4. Election of Directors

The board consists of seven directors who hold office until the next annual meeting following their election or appointment or until their successors are duly elected or appointed.

Management's proxies intend to nominate and cast all their votes for the election of the following:

Name of nominee and office held in Company	Principal occupation during past five years	Director of Company since	Shares owned beneficially
GEORGES RAUSSAN, Fils Director and Vice-President	Lawyer, self-employed in the practice of law in Port-au-Prince, Haiti.	1955	1
MURRAY COOPER Director and President	Mining Executive, President and Director of Silver-Miller Limited and other companies, Toronto	1960	1
ADOLPH H. GRAETZ Director and First Vice-President	Corporation Executive, Director and Vice-President of National Outlook Corporation, New York, Director and Treasurer of Panacolor Inc., New York.	1960	1
FREDERICK B. GROSSELFINGER To be nominated	Consulting Chemical Engineer Consulting Engineer to Farbwerke Hoechst A.G. New York, formerly president of Hoechst-Unde Corp. of New York		96,500
THOMAS J. KENNEDY To be nominated	Corporation Executive, Vice-President of CCS Mining Company Ltd., a subsidiary of Continental Copper & Steel Industries, Inc., New York.		1
MERRYLE S. RUKEYSER Director	Consultant Economist, Director and President of National Outlook Corporation; Director of Deuterium Corp., New York.	1967	1
J.M. WAINBERG, Q.C. Director and Secretary-Treasurer of the Company	Lawyer, self employed in the practice of law, Toronto.	1967	1

The above information as to shares beneficially owned, directly or indirectly, has been furnished by each nominee. Management is not presently aware that any of the above nominees are unwilling or unavailable to serve as a director if elected. But should any vacancy occur, management's proxies will nominate and cast all their votes for the election of substitute nominees of their choice.

5. Appointment of Auditors

The shares represented by management's proxies will be voted for the re-appointment, as auditors of the Company, of Thorne, Gunn, Helliwell & Christenson, which firm and its predecessor, Thorne, Mulholland, Howson & McPherson, have been auditors of the Company for more than five years.

6. Other Matters

In addition to the routine business of an annual meeting, the only other business (of which management is now aware)on which action will be taken will be the submission to the meeting:

(a) for approval, a resolution of the board of directors authorizing the Company to enter into (i) an agreement dated as of the 15th day of March, 1968, between the Company and the debentureholders and (ii) an agreement dated as of the 15th day of March, 1968, between the Company and Continental Copper & Steel Industries, Inc. and others (for the resolution and the agreements, see schedule 1, pages 5 to 14).

(b) for approval, by-law E, increasing the authorized capital of the Company from $12,000,000 to $17,000,000 by the creation of an additional 5,000,000 shares of the par value of one dollar each (see schedule 2 attached);

(c) if by-law E is approved, for ratification, a by-law authorizing the board to issue the newly created shares at a premium or at a discount of their par value (see schedule 3 attached).

In the opinion of management, the increase in the capital is required in order to carry out the terms of the reorganization agreements referred to in paragraph 6, and to provide future capital for the Company. To become effective By-law E requires a voting majority of at least two-thirds. Management's proxies intend to cast all their votes in favour of the above proposals.

7. Remuneration of Directors and Officers

During the past fiscal year the aggregate direct remuneration paid or payable by the Company (including its subsidiaries) to its directors and senior officers was $31,372.00 (Canadian Funds).

The Company pays its directors and officers $100 plus reasonable travelling expenses for each meeting of directors and shareholders attended by them, and pays $200 per month for secretarial services.

There are no pension or retirement benefits proposed to be paid to directors or senior officers of the Company. No stock options have been granted to directors or officers during the past fiscal year and none are in existence.

8. Voting Shares and Principal Holders

All shareholders of record at the time of the meeting are entitled to one vote for each share held. On the date of this information circular there were 11,936.674 equity shares outstanding all of one class.

To the knowledge of the directors or senior officers of the Company, no person or corporation has more than 10 per cent of the issued and outstanding shares of the Company.

9. Interest in Material Transactions

No director, senior officer or proposed nominee for election as a director of the Company or any associate or affiliate of any of them had any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year or has any material interest in any proposed transaction except that Messrs. Graetz and Rukeyser are officers and directors of National Outlook Corporation, which holds $150,000 in principal value of the Company's outstanding debentures, and Mr. Kennedy is an officer and director of CCS Mining Company Limited, a subsidiary of Continental Copper & Steel Industries, Inc. which holds a first mortgage on the property of Sedren S.A. (the Company's wholly owned subsidiary in Haiti) and which is the Company's exclusive agent-purchaser for the Company's production. Reference is made to the notes to the accompanying Consolidated Financial Statement for the year ended December 31, 1967, for transactions between the Company and Continental Copper & Steel Industries, Inc.

Submitted on behalf of the management of Consolidated Halliwell Limited, this 18th day of April, 1968.

SCHEDULE 1

Resolution of the Board of Directors
Passed on the 8th day of April, 1968

Resolved that:

1. The Company do enter into the agreement dated as of the 15th day of March, 1968 between the Company and the holders of the Company's debentures in the form presented to the meeting and marked Schedule A to this resolution;

2. The Company do enter into the agreement dated as of the 15th day of March, 1968 between the Company and Continental Copper & Steel Industries, Inc. in the form presented to the meeting and marked Schedule B to this resolution;

3. The officers and directors be and they are hereby authorized and directed to do all things and sign all documents necessary or desirable for the due carrying out of the foregoing, and in particular to convene a meeting of shareholders for the purpose of approving the said agreements.

SCHEDULE A

THIS AGREEMENT dated as of the 15th day of March, 1968.

BETWEEN:

CONSOLIDATED HALLIWELL LIMITED (No Personal Liability), a company incorporated under the laws of the Province of Quebec, (herein called "Halliwell")

OF THE FIRST PART

- and -

MOGUL MINES LIMITED, K & G HOLDINGS LIMITED, and NATIONAL OUTLOOK CORPORATION, (herein collectively called the "Debentureholders"),

OF THE SECOND PART

WHEREAS Halliwell has issued and there are outstanding $2,907,000 (Canadian) principal amount of 6½% Sinking Fund Debentures due May 31, 1970 (the "Debenture") held by the Debentureholders, which Debentures are in default with respect to both principal and accrued interest thereon, in an amount aggregating $3,577,920.43 as of March 31, 1968;

AND WHEREAS the Debentureholders have agreed to exchange their Debentures (and the accrued interest thereon) for shares of Halliwell, on the terms and subject to the conditions hereinafter set forth;

NOW THIS AGREEMENT WITNESSES that in consideration of the mutual covenants herein contained the parties hereto do hereby agree each with the other as follows:

1. The Debentureholders hereby agree to exchange the outstanding Debentures of Halliwell owned by them respectively (aggregating $2,907,000 principal amount) and accrued interest thereon to March 31, 1968 (aggregating $670,920.43) for an aggregate of 1,574,285 shares of the par value of $1 each of Halliwell, which shares shall be issued to the Debentureholders, pro rata, forthwith upon fulfilment of the conditions

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referred to in paragraph 3 as fully paid and non-assessable shares free from any escrow or other restriction.

2. Upon delivery to the Debentureholders of the 1,574,285 shares of Halliwell described in paragraph 1 hereof, all the outstanding Debentures shall be cancelled and the Trust Indenture between Halliwell and Guaranty Trust Company of Canada, as Trustee securing the said Debentures shall be automatically cancelled.

3. This agreement shall be subject to fulfilment of the following conditions on or before May 15, 1968:

(a) approval of the shareholders of Halliwell to this agreement;

(b) approval of the shareholders of Halliwell to an agreement dated as of March 15, 1968 between Halliwell and Continental Copper & Steel Industries, Inc. providing, inter alia, for the guarantee of a loan to Halliwell of $300,000 (U.S.) by a New York bank and for the settlement of the outstanding indebtedness of Halliwell's wholly-owned subsidiary La Societe d'Exploitation et de Development Economique et Natural d'Haiti S.A.;

(c) issuance of supplementary letters patent increasing the authorized capital of Halliwell from $12,000,000 to $17,000,000 divided into shares of the par value of One Dollar ($1) each;

(d) acceptance for filing by the Toronto Stock Exchange of a filing statement reflecting this agreement and the agreement referred to in paragraph 3(b); and

(e) a ruling shall have been obtained under the provisions of The Securities Act, 1966 (Ontario), as amended, to the effect that any sale by Debentureholders of the shares of Halliwell to be issued as referred to in paragraph 1 hereof shall not constitute a primary distribution to the public and that the Debentureholders will be exempt from the prospectus requirements of the said Act at the time

332A
333A

of any subsequent sale or sales by the Debentureholders of such shares or any of them.

4. The parties hereto shall execute and deliver such further assurances and documents as may be necessary or as counsel for Halliwell or the Debentureholders may deem desirable to effectuate this agreement.

5. This agreement may be executed in one or more counterparts and shall become effective upon execution thereof by the holders of at least 75 per cent of the principal amount of the outstanding Debentures.

6. This agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and assigns.

IN WITNESS WHEREOF this agreement (comprising all counterparts) has been duly executed by all the parties hereto.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Per MURRAY COOPER, President

c/s J.M. WAINBERG, Secretary

K & G HOLDINGS LIMITED

Per

c/s

MOGUL MINES LIMITED

G.D. PATTISON, Vice-President

c/s

R.D. BELL, Secretary

NATIONAL OUTLOOK CORPORATION

MERRYLE S. RUKEYSER, President

c/s

ADOLPH H. GRAETZ, Vice-President

SCHEDULE B

THIS AGREEMENT dated as of the 15th day of March, 1968

BETWEEN:

CONSOLIDATED HALLIWELL LIMITED (No Personal Liability), a company incorporated under the laws of the Province of Quebec,

(herein called "Halliwell")

OF THE FIRST PART

-and-

CONTINENTAL COPPER & STEEL Industries, Inc., a company incorporated under the laws of the State of Delaware,

(herein called "Continental")

OF THE SECOND PART

-and-

MAURICE GOODMAN AND ASSOCIATES,

OF THE THIRD PART

WHEREAS by agreement dated April 1, 1959, as amended by agreements dated as of July 1, 1964 and January 1, 1967 (collectively the "Copper Purchase Agreement"), all between Halliwell, Halliwell's wholly-owned Haitian subsidiary La Societe d'Exploitation et de Development Economique et Natural d" Haiti (Sedren) S.A. ("Sedren"), and Continental, Sedren agreed to sell and Continental agreed to purchase the first 80,000,000 pounds of copper metal in wire bar recovered by Sedren from the copper concentrates produced by Sedren from its mine in the Republic of Haiti;

AND WHEREAS by agreement dated as of July 1, 1964 as amended by agreement dated as of January 1, 1967 (collectively the "Concentrates Agreement") both between Continental, Sedren and Halliwell, Sedren agreed to sell and Continental agreed to purchase

the total production of copper concentrates produced by Sedren and, it was provided that for such period as Sedren delivered copper concentrates to Continental pursuant to the Concentrates Agreement, Sedren would be excused from the delivery to Continental of wire bar pursuant to the Copper Purchase Agreement;

AND WHEREAS all of the aforesaid agreements and releases issued thereunder are hereby ratified, confirmed and approved in all respects;

AND WHEREAS it is in the interest of Halliwell and Sedren to have the Copper Purchase Agreement and the Concentrates Agreement terminated in order that Halliwell may on its own behalf market the products of Sedren notwithstanding that upon such termination Sedren would become obligated to pay to Continental by way of liquidated damages and not as a penalty the sum of $323,868 which sum is equal to the discounts to which Continental would have become entitled in respect of the undelivered 16,193,406 pounds of the 80,000,000 pounds of copper required to be delivered under the Copper Purchase Agreement;

AND WHEREAS Halliwell requires additional financing in the amount of $300,000 (U.S.) if the mine of Sedren is to continue in operation;

AND WHEREAS Continental has agreed to the termination of the Copper Purchase Agreement and the Concentrates Agreement and to the settlement of the outstanding Sedren indebtedness and has also agreed to provide guarantees sufficient to enable Halliwell to obtain its required additional financing, all upon the terms and subject to the conditions hereinafter set forth:

NOW, THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants hereinafter contained,

the parties do hereby agree each with the other as follows:

1. Continental shall provide such guarantees as may be necessary to enable Halliwell and/or Sedren to borrow on normal banking terms the sum of $200,000 (U.S.) from a New York bank which sum shall be repayable in not less than two years and not more than three years; and Maurice Goodman and Associates agree to provide for $100,000 (U.S.) which sum shall be repayable in not less than two years and not more than three years.

2. The first mortgage obligation of Sedren originally issued by Sedren to Continental to secure a loan of $1,500,000 (U.S.) of which the principal sum of $250,000 (U.S.) is now past due and payable, together with the accrued and unpaid interest thereon to March 31, 1968 of $76,343.96 (U.S.) (aggregating $326,343.96) shall be payable with interest at 6% in instalments of $50,000 on the 1st days of January and July beginning on the 1st day of January, 1969, and the balance thereof shall be payable on the 1st day of July, 1971, such payments to be applied firstly on account of interest at the rate of 6 per cent per annum and the balance to be applied on account of principal with the privilege of repaying any amount at any time without notice or bonus.

3. The Copper Purchase Agreement and the Concentrates Agreement shall be terminated as of March 31, 1968 or as soon thereafter as the shipment scheduled to leave Haiti between March 28 and March 31 has left; the intention being that,

with the said shipment, all interest of Continental in Sedren's ore or agreements respecting Sedren's ore is terminated.

4. Halliwell shall forthwith allot and issue to Continental, or as Continental may in writing direct, shares of the par value of $1.00 each in the capital stock of Halliwell as fully paid and non-assessable shares free of any escrow or other restriction as follows:

   (a) 150,000 shares as consideration for providing the bank guarantees referred to in paragraph 1;

   (b) 359,100 shares in full payment and satisfaction of the liquidated damages of $323,868 payable by Sedren to Continental upon termination of the Copper Purchase Agreement.

5. Halliwell shall pay to Continental the sum of $109,836 (U.S.) in instalments of $10,000 each on the 1st days of January, April, July and October, beginning on the 1st day of January, 1969 and the balance on or before the 1st day of July, 1970 in full payment and satisfaction of the discount in the said amount which will be outstanding as at March 31, 1968 and which is payable by Sedren to Continental pursuant to the Copper Purchase Agreement provided however that Continental may on or before May 1, 1970 convert all or any part of the unpaid portion of the said sum of $109,836 (U.S.) into fully paid and non-assessable shares of Halliwell of the par value of $1.00 each at the price of $1.25 (Canadian) per share.

6. This agreement shall be subject to fulfilment of the following additional conditions on or before May 15, 1968.

337A

(a) approval of the shareholders of Halliwell to this agreement.

(b) approval of the shareholders of Halliwell to an agreement dated as of March 15, 1968 between Halliwell and the holders of the outstanding $2,907,000 principal amount of 6-1/2% Sinking Fund Debentures of Halliwell providing, inter alia, for the cancellation of $1,308,150 principal amount of said Debentures and the accrued interest thereon and the conversion of the remaining $1,598,850 principal amount of said Debentures together with the accrued and unpaid interest thereon to March 31, 1968 into 1,574,285 fully paid and non-assessable shares of Halliwell of the par value of $1.00 each;

(c) issuance of supplementary letters patent increasing the authorized capital of Halliwell from $12,000,000 to $17,000,000 divided into shares of the par value of $1.00 each;

(d) acceptance for filing by the Toronto Stock Exchange of a filing statement reflecting this agreement and the agreement referred to in paragraph 6 (b);

(e) subject to the authorization of the Office of Foreign Direct Investments, Department of Commerce, Washington, D.C. to the aforesaid guarantee of Continental.

7. In the event that any one or more conditions of this agreement are not fulfilled, either party may on ten days written notice to the other cancel this agreement, in which event the Copper Purchase and Concentrates Agreements shall continue in full force and effect.

338A

8. Forthwith upon the execution hereof, Halliwell shall convene a general meeting of its shareholders for the purpose of effectuating this agreement.

9. The parties hereto shall execute and deliver such further assurances and documents as may be necessary or as counsel for either party may deem desirable to effectuate this agreement.

10. This agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and assigns.

IN WITNESS WHEREOF, this agreement has been duly executed by all the parties hereto.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Per MURRAY COOPER, President

c/s

Per J.M. WAINBERG, Secretary

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

Per WALTER H. KNORR, Vice-President

c/s

Per H. KELLER, Secretary

MAURICE GOODMAN AND ASSOCIATES

Per MAURICE GOODMAN

THE ABOVE AGREEMENT IS hereby consented to and adopted by

SOCIETE d'EXPLOITATION et de DEVELOPPEMENT ECONOMIQUE et MINIERE d'HAITI (SEDREN) S.A.

Per MURRAY COOPER, President

c/s

Per J.M. WAINBERG, Treasurer

339A

J.M. WAINBERG,
Secretary.

SCHEDULE 2

BY-LAW E

being a by-law authorizing a petition for supplementary letters patent increasing the authorized capital of the Company.

WHEREAS the authorized capital of the Company is $12,000,000 divided into 12,000,000 shares of the par value of one dollar ($1.00) each, of which 11,936,674 shares have been issued and are outstanding and fully paid; and

WHEREAS it is deemed necessary and expedient in the interest of the Company that the authorized capital of the Company be increased as herein provided;

NOW THEREFORE BE IT ENACTED AND IT IS HEREBY ENACTED as By-law No. E. of Consolidated Halliwell Limited (No Personal Liability) (herein called the "Company") that:

1. The authorized capital of the Company be and is hereby increased from $12,000,000 to $17,000,000 by the creation of 5,000,000 additional shares of the par value of one dollar ($1.00) each ranking pari passu in all respects with the existing shares of the Company;

2. The officers and directors be and they are hereby authorized and directed to do all things and sign all documents necessary or desirable for the due carrying out of the foregoing, and in particular to petition for supplementary letters confirming this by-law.

ENACTED this 8th day of April, 1968.

SCHEDULE 3

Draft by-law to be enacted as By-law F by the board on May 13, 1968.

BE IT ENACTED AND IT IS HEREBY ENACTED AS By-law No. F of Consolidated Halliwell Limited (No Personal Liability) :

THAT the board of directors be and it is hereby authorized from time to time to issue by resolution, upon such terms and conditions as it deems advantageous, any of the shares of the company with par value of one dollar ($1.00) each, at any premium above their par value or at a discount not exceeding sixty per cent (60%) of their par value, so that the issue price of each such share shall not be less than, but may be more than, forty cents (40c).

341A

NOTES

1. Proxy forms should be signed in the same manner as the name of the holder appears on the share register and as shown. If more than one name appears, all should sign.

2. If the appointor is a corporation, the proxy form must be signed under its corporate seal or under the hand of an officer or attorney so authorized and the necessary changes made in the form. Such authorization, under seal, or a notarial copy thereof, must accompany the proxy form.

3. Every shareholder has the right to appoint as his proxy some person other than the person designated. To do so the appointor should strike out the printed names, insert the name of his nominee and initial the change.

4. The proxy form is to be read in conjunction with the Information Circular and the Notice of Meeting.

341A

DETACH HERE AND RETURN PROXY FORM

Consolidated Halliwell Limited

(No Personal Liability)

Suite 714, 62 Richmond Street West
Toronto 1, Ontario

EXHIBIT "B"

PROXY FORM

The undersigned shareholder of CONSOLIDATED HALLIWELL LIMITED hereby appoints MURRAY COOPER, President, of Toronto, or whom failing, ADOLPH H. GRAETZ, Vice-President, of New York, or whom failing, J. M. WAINBERG, Q.C., Secretary-Treasurer, of Toronto, as his proxy to attend, act and vote for him on his behalf at the Annual and Special General Meeting of Shareholders of CONSOLIDATED HALLIWELL LIMITED to be held on the 13th day of May, 1968 and at any adjournment thereof, and the undersigned hereby revokes all appointments of proxies previously given.

DATED this ..... day of ..... , 1968.

Signature of Shareholder

3421

EXHIBIT "C"

Consolidated Halliwell Limited

(No Personal Liability)

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31

1967

Consolidated Halliwell Limited

(No Personal Liability)

OFFICERS	MURRAY COOPER	*President*
	A. H. GRAETZ	*First Vice-President*
	GEORGES BAUSSAN, FILS	*Vice-President*
	J. M. WAINBERG, Q.C.	*Secretary-Treasurer*
	S. JACOBSON	*Assistant Secretary*
DIRECTORS	GEORGES BAUSSAN, FILS	MURRAY COOPER
	A. H. GRAETZ	WALTER H. KNORR
	MERRYLE S. RUKEYSER	J. M. WAINBERG, Q.C.
AUDITORS	THORNE, GUNN, HELLIWELL & CHRISTENSON	Toronto, Ontario
TRANSFER AGENT AND REGISTRAR	CANADA PERMANENT TRUST COMPANY	Montreal, Quebec Toronto, Ontario
EXECUTIVE OFFICE	SUITE 714, 62 RICHMOND STREET WEST	Toronto, Ontario
HEAD OFFICE	SUITE 930 - THE ROYAL BANK OF CANADA BUILDING 1 PLACE VILLE MARIE	Montreal, Quebec
ANNUAL AND SPECIAL GENERAL MEETING	MONDAY, MAY 13, 1968, CHATEAU FRONTENAC HOTEL	Quebec City, Quebec

330A

Consolidated Halliwell Limited

(No Personal Liability)

Suite 711, 62 Richmond Street West
Toronto 1, Ontario

To the Shareholders,

Presented herewith is the Annual Report of your Company for the fiscal year ended December 31, 1967.

Accompanying this report are the Notice of Annual and Special General Meeting of Shareholders and the statutory Information Circular which, among other things, includes data pertinent to a proposed rearrangement in the Company's capital structure which shareholders will be asked to consider at the forthcoming meeting.

This capital realignment embraces a number of features which, your directors feel, will be most beneficial to future Company operations. The main item involves the agreement by holders of the outstanding 6½% sinking fund debentures maturing May 31, 1970, to cancel the entire obligation of $3,577,920 (including accrued interest) outstanding at March 31, 1968, in exchange for 1,574,285 shares of your Company's capital stock. The wiping out of this sizeable debt automatically relieves the Company of all servicing obligations thereon.

Another important item is an arrangement for cancellation of an agreement originating with your Company's 1959 senior financing and involving the sale of copper production on a fixed formula and at a marketing discount. The advantage will be that your Company may then fully benefit from world market prices, which in recent years have been at premium levels.

Further, certain other debts and obligations are either eliminated or consolidated for orderly retirement, as fully explained in the notes to the financial statement and also in the statutory Information Circular.

Shareholders will note with interest that a new guaranteed bank loan of US $300,000 will be made available to the Company. This additional working capital coupled with the elimination and retirement of the debt already mentioned will give the Company much greater financial strength and provide for operational benefits over both the near and longer term.

Authorized Capital

To give effect to the proposals being submitted for shareholders' approval, it will necessitate issuance of 2,623,365 shares of capital stock from your Company's treasury. Since the present capital structure of your Company is not adequate for the purposes outlined, your directors are proposing that the authorized capital be increased from $12,000,000 to $17,000,000 to which shareholders will be asked to give their approval.

Operating Results

A combination of operating circumstances led to a marked decline in production value which, at $1,770,250 was off from $2,798,353 the year previous. As a result of this, an operating loss of $211,903 was incurred. After depreciation of $301,368 and amortization of deferred charges of $531,270 a net loss of $1,669,291 was recorded for the year. This compares with an operating profit of $176,433 in 1966, when net loss was $1,169,076 after depreciation of $558,565 and amortization of deferred charges of $679,213.

The lower production was basically attributable to a decline in ore available from the West-Mine area. This in turn placed greater ore demands on the new East-Mine section, leading to a higher volume of low grade development rock going to the concentrator. Too, increased development requirements underground created a greater need for electric power for mine operations, and limited the power available for milling.

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344A

Efforts to restrict and reduce operating costs were effective as evidenced by the reduction of some $340,000 from total operating expenses in 1966. However, the benefits were minimized in the main by two factors — inflationary forces which are showing up in all industries, and the resistance met by mine management in its attempts to lower payroll expenditures which comprised over 60 per cent of total operating costs.

Ore Reserves

As at year's end, 1967, ore reserves were estimated at 351,428 tons averaging 1.51% copper. This represents a slight gain in tonnage from 331,617 tons at the end of 1966, when grade was reported at 1.58%. The lower grade reflects inclusion of reserves of certain sections of low grade material in the original West-Mine section, while the increase in reserves largely represented new ore confirmed in the East-Mine area now under intensive development.

Management would like to point out the mine's ability through its operating history to respond to exploration and development work. While reserves in recent years have not been large, the mine has been able year by year to provide sufficient new ore at a rate generally replacing and sometimes exceeding production. Thus your management is confident the overall program laid out for 1968, emphasizing development in the area to be serviced by the new No. 3 inclined shaft, supports every reasonable expectation for success.

Mine Performance

Production for 1967 totalled 4,752,475 pounds copper in concentrate form from the processing of 183,744 short dry tons of ore averaging 1.41% in grade. Recovery at 91.59% remained quite satisfactory, but tons milled and total copper production were down from the previous year's output of 6,129,161 pounds copper from 218,747 tons milled.

Your management has set an immediate objective of restoring higher operating levels. Efforts are being made to bring the monthly mill run up to 15,000 tons, as opposed to a recent average of about 12,000 tons. To achieve this will initially require drawing the remaining lower grade ore available in the West-Mine area to augment ore supplies from sections lying between the 1,500 and 1,700 levels in the new East-Mine area. On a longer-range basis, future ore supplies will be dependent upon the proposed development of two new levels, the 1,800 and 1,900, in the new East-Mine section.

A systematic program to open these new levels has been laid out and will be instituted as early as the additional working capital previously referred to becomes available. The program should take from five to six months time and involves approximately 1,500 feet of drifting plus another 500 feet of development work in the form of ore passes, raises, box holes and drilling stations. The cost is estimated at a minimum of $100,000. Preliminary underground drilling to explore the area involved has confirmed a good ore potential.

With the projected increase in tonnage milled, plus the benefits anticipated from the new copper sales arrangements, it is expected operating results will show definite improvement.

General

It is with deep regret your directors report the passing of Mr. Harry Harris on August 22, 1967. Mr. Harris was a former director and Chairman of the Board for a number of years.

Timely request has been made to the Internal Revenue Service of the U.S. Treasury Department for a ruling exempting the acquisition of the Company's shares from the Interest Equalization Tax up to March 31, 1969. The granting of this ruling is expected after routine processing by the Internal Revenue Service.

It is appropriate to record on behalf of your Board the conscientious services rendered by Mr. T. R. Clarke, Mine Manager, who took office November 1, 1967 and by the staff and the Haitian employees. Further, your Board would like to acknowledge the cooperative spirit existing between mine management and the Haitian government officials familiar with the operations of the mine.

On behalf of the Board of Directors,

Toronto, Ontario,
April 1, 1968.

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MURRAY COOPER,
President.

Consolidated Halliwell Limited

(No Personal Liability)

The President and Directors,
CONSOLIDATED HALLIWELL LIMITED,
Suite 714, 62 Richmond Street West,
Toronto 1, Ontario.

Gentlemen:

Following is my report covering mining operations of your wholly-owned subsidiary, Sedren S.A., at Mémé, Republic of Haiti, for the year ended December 31, 1967.

PRODUCTION

During the year, 183,744 short dry tons were treated having an average grade of 1.11 per cent copper. Copper recovery was 91.59 per cent. Concentrate produced totalled 7,458 tons containing 4,752,475 pounds of copper. Net value of production was $1,770,250.

By comparison, production the previous year totalled 9,997 tons concentrate containing 6,129,464 pounds copper from 218,747 tons of ore milled with an average grade of 1.55 per cent. Net value was $2,798,355.

Production was limited by lack of easily accessible ore reserves, a lower ore grade, and a lack of electric power.

CONCENTRATE SHIPMENTS

There were 6 shipments of concentrates for overseas smelters during the year, totalling 7,290 short dry tons as compared to 9,274 tons in ten shipments in 1966.

STOPING SUMMARY

Ore broken in stoping operations in the mine totalled 126,675 tons, while 166,189 tons were hoisted.

A breakdown of mine production follows:

Level	Tons Broken	Tons Removed	Broken Ore Remaining
1100	11,200	12,650	6
1200	9,575	9,261	691
1300	10,730	13,825	128
1500	25,615	60,791	5,512
1600	7,630	11,317	1,700
1700	61,925	28,710	28,500
	126,675	166,189	36,600

EXPLORATION AND DEVELOPMENT

No outside or surface exploration was carried out during the year. Underground exploration and development diamond drilling amounted to 11,332 feet, and was confined to extending ore reserves and outlining stoping areas. Underground development headings amounted to 6,357 feet and were limited to opening up stoping areas.

Some 239 feet of advance was made in the new No. 3 inclined shaft in the East-Mine area. This development has now reached the 1,900 foot level, which was the objective.

ORE RESERVES

Ore reserves at year's end totalled 351,128 tons grading 1.51 per cent copper, as against 331,617 tons grading 1.58 per cent copper at the end of 1966. The increase was due principally to ore found in the East-Mine area between the 1,500 and 1,700 levels. The lower grade is due mainly to the inclusion of low-grade pillars and clean-up in the old mine area.

GENERAL

Continuing problems in the operation of the diesel plant, culminated by the loss of generator capacity by fire in June, led to a general power shortage for the year. The necessity of drawing greater ore tonnages from below the 1,500 level increased the power demand for mine operations at the expense of the milling operation. The diesel power units did not stand up to this increased demand.

During early summer it became quite apparent that, due to the insufficient power supply and the lack of readily available and developed ore reserves, some curtailment and economies would be necessary. These changes led to definite labour slowdowns and increased operating difficulties, conditions which remained with the operation until the year-end.

Generally, good copper markets were available during the latter part of 1967 which offset in part the reduced grade from underground workings.

In 1968, the main development effort will be to complete the equipping of the No. 3 shaft and develop for mining the 1,500 and 1,900 levels in the East-Mine area. Operationally, efforts will be made to reach and maintain 15,000 tons monthly operating level. With presently available power, this will require mining considerable low grade in the old West-Mine area.

On January 1st, 1967, there were 528 Haitians and 12 Canadians employed. At the end of the year the payroll consisted of 431 Haitians and 13 Canadians.

The manager wishes to thank both head office and mine staff for their valuable assistance.

Respectfully submitted,

T. R. CLARKE, P.Eng., B.Eng.,
Mine Manager.

Port-au-Prince, Haiti,
on February 22, 1968.

tion of the mutual covenants hereinafter contained,

348A

Consolidated Halliwell Limited

(No Personal Liability)

and its consolidated subsidiary

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31, 1967

(with comparative figures for 1966)

	1967	1966
SOURCE OF FUNDS:		
Operations:		
Items not involving a current outlay of funds:		
Amortization and depreciation		$1,451,963
Debenture interest, deferred		146,006
Amortization of premium on deferred debenture interest		2,342
		1,603,311
Deduct loss for year		1,169,076
		434,235
Issue of capital stock		10,000
Decrease in major replacement parts and slow moving items	$ 31,226	
Items transferred from current liabilities		
Mortgage principal and accrued interest	322,601	
Discount on copper sales	109,330	
Accrued interest on sinking fund debentures	4,815	
	469,171	444,235
APPLICATION OF FUNDS:		
Operations:		
Loss for year	1,674,931	
Deduct items not involving a current outlay of funds:		
Amortization and depreciation	1,201,725	
Debenture interest, deferred	192,810	
Amortization of premium on deferred debenture interest	2,342	
	1,396,877	
	278,054	
Additions to fixed assets	19,661	76,696
Exploration and development expenditures	189,377	102,936
Increase in advances to C.N.E.S.A.	3,178	23,761
Major replacement parts and slow moving items transferred from current assets		141,353
Redemption of sinking fund debentures		150,000
Mortgage principal and deferred interest, transferred to current liabilities		299,137
	490,210	793,461
Decrease in working capital	21,039	311,229
Working capital at beginning of year	135,318	479,547
Working capital at end of year	$ 114,279	$ 135,318

March 28 and March 31 has left, the intention being that,

3494

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and its consolidated sub

Consolidated Balance Sheet D

(with comparative figures at

ASSETS

	1967	1966
Current Assets:		
Cash	$ 9,291	$ 76,409
Accounts receivable	22,176	33,644
Insurance claim receivable		160,945
Concentrates on hand and shipments in process of settlement, at estimated net realizable value under sales contracts less payments received in advance of settlements	288,336	270,411
Mine and mill operating supplies, at cost	284,952	308,302
Prepaid expenses	34,029	75,203
	638,784	924,944
Major Replacement Parts and Slow Moving Items, at cost less amounts written off	112,995	144,881
Investments:		
Shares of other mining companies, at nominal value (no market value)	1	1
Shares in and advances to C.N.E.S.A. (note 1)	40,579	37,401
	40,580	37,402

Fixed Assets (notes 2 and 3):

	Cost	Accumulated Depreciation		
Mining lands and concession	$ 45,731	$ 26,355	19,379	23,791
Roads	225,158	132,933	92,225	115,281
Buildings, machinery and equipment	4,536,199	2,631,989	1,901,210	2,259,007
	$4,807,091	$2,791,277	2,012,814	2,398,082

Deferred Charges, amortized value:		
Deferred exploration, development and administrative expenditures (note 3)	2,325,078	2,716,971
Discount on sinking fund debentures	15,712	25,720
Premium on deferred debenture interest	4,489	6,831
	2,345,279	2,749,522
Excess of Cost of Shares in Subsidiary over book value at date of acquisition, amortized value (note 1)	411,157	616,736
	$5,561,609	$6,871,567

AUDITORS' RE

To the Shareholders of
Consolidated Hallwell Limited (No Personal Liability)

We have examined the consolidated balance sheet of Consolidated Hallwell Limited (No Personal Liability) and its consolidated subsidiary as at December 31, 1967 and the consolidated statements of income, deficit, deferred exploration, development and administrative expenditures and source and application of funds for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Toronto, Canada, April 8, 1968.

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...ember 31, 1967
...mber 31, 1966

LIABILITIES

	1967	1966
CURRENT LIABILITIES (note 5):		
Accounts payable and accrued liabilities	$ 521,505	$ 451,340
Accrued interest on sinking fund debentures		4,815
6% Mortgage payable with accrued interest thereon		333,471
	521,505	789,626
NON-CURRENT LIABILITIES (to be settled, subject to approval of reorganization, by issue of shares and extended payments — see notes 4 and 5):		
6½% Sinking fund debentures, with accrued interest thereon	3,527,578	3,329,923
6% Mortgage payable, with accrued interest thereon	322,601	
Discount payable on copper sales	109,836	
	3,960,015	3,329,923
Total liabilities	4,481,523	4,119,550

SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 6):		
Authorized — 12,000,000 shares par value $1 each	11,936,674	11,936,674
Issued — 11,936,674	5,437,392	5,437,392
Deduct discount thereon	6,499,282	6,499,282
	5,422,196	3,747,265
DEFICIT	1,077,836	2,752,017

Approved on behalf of the Board:

MURRAY COOPER, Director.

A. H. GRAETZ, Director.

CONTINGENT LIABILITY (note 6)	$5,561,649	$6,871,567

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In our opinion, and according to the best of our information and the explanations ven to us and as shown by the books of the companies, these financial statements are roperly drawn up, except for the probable inadequacy of provision for amortization nd depreciation indicated in note 3, so as to exhibit a true and correct view of the ate of the affairs of the companies as at December 31, 1967 and the results of their perations and the source and application of their funds for the year then ended, in ccordance with generally accepted accounting principles applied on a basis consistent ith that of the preceding year.

THORNE, GUNN, HELLIWELL & CHRISTENSON,
Chartered Accountants.

Consolidated Halliwell Limited

(No Personal Liability)

and its consolidated subsidiary

CONSOLIDATED STATEMENT OF INCOME

Year ended December 31, 1967

(with comparative figures for 1966)

	1967	1966
PRODUCTION OF CONCENTRATES, at estimated net realizable value under sales contracts	$1,770,250	$2,798,355
Operating expenses	1,982,153	2,321,472
Profit (loss) on operations	(211,903)	476,883
OTHER EXPENSES:		
Debenture interest	195,152	196,693
Interest on mortgage	15,000	22,393
Other interest and administrative expenses	65,958	100,650
Directors' fees	1,612	4,935
Outside exploration		3,625
	277,722	328,351
LESS:		
Profit on foreign exchange	14,887	9,487
Other income (note 9)	1,532	127,868
	16,419	137,355
	261,303	190,996
Income (loss) before undernoted items	(473,206)	285,887
AMORTIZATION:		
Debenture discount	10,008	11,336
Deferred exploration, development and administrative expenditures	581,270	679,213
Excess of cost of shares in subsidiary over book value at date of acquisition	205,579	205,579
DEPRECIATION	404,868	558,835
	1,201,725	1,454,963
LOSS FOR YEAR	$1,671,931	$1,169,076

CONSOLIDATED STATEMENT OF DEFICIT

Year ended December 31, 1967

(with comparative figures for 1966)

	1967	1966
Deficit at beginning of year	$3,747,265	$2,578,189
Loss for year	1,671,931	1,169,076
Deficit at end of year	$5,122,196	$3,747,265

CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES

Year ended December 31, 1967

(with comparative figures for 1966)

	1967	1966
Balance at beginning of year	$2,716,971	$3,293,228
Exploration expenditures incurred during year	189,377	102,956
	2,906,348	3,396,214
Deduct amortization for year	581,270	679,213
Balance at end of year	$2,325,078	$2,716,971

3517

Consolidated Halliwell Limited

(No Personal Liability)

and its consolidated subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 1967

1. BASIS OF CONSOLIDATION:

The accounts of the company's wholly-owned subsidiary, Societe d'Exploitation et de Developpement Economique et Naturel D'Haiti (Sedren), S.A. (incorporated under the laws of the Republic of Haiti), have been consolidated herein.

The cost of the company's investment in Sedren exceeds the value of the shares issued, according to the books of the subsidiary, by $322,315. As at January 1, 1966 the company commenced amortization of the excess at a rate of 25% per annum on a straight line basis.

The accounts of Sedren are maintained in U.S. dollars. Current assets and liabilities and major replacement parts and slow moving items of the subsidiary have been converted into Canadian funds at the prevailing rate of exchange at the balance sheet date; all other assets and liabilities have been translated at par.

The company holds a 97% interest in Compagnie Nationale d'Exploration S.A., (C.N.E.S.A.) a company incorporated under the laws of the Republic of Haiti. The accounts of this subsidiary which holds a mining concession in Northern Haiti have not been consolidated since the company is in the exploratory stage.

The vendor of the concession, who retains a 3% interest therein, has taken legal action to have the vending agreement rescinded. The company does not consider the vendor's claim valid and does not anticipate that any liability will arise therefrom.

2. MINING CONCESSION:

By agreement dated April 29, 1955, the Government of the Republic of Haiti granted to Sedren the right to exploit for a period of twenty-five years, renewable under certain conditions for an additional twenty-five years, certain copper-bearing properties located in the Terre Neuve Area of Haiti. The agreement provides for the payment of a royalty to the Government of 6% of net smelter returns, and of an annual tax.

3. AMORTIZATION AND DEPRECIATION POLICY:

Amortization of exploration, development and administrative expenditures at 20% and depreciation of fixed assets at rates varying from 5% to 33⅓% are calculated on the diminishing balance basis. If amortization and depreciation were related to copper produced to date and to the estimated copper content of the indicated ore reserves, the unamortized balance of fixed assets, deferred charges and excess of cost of shares in subsidiary over book value at date of acquisition would be approximately $3,100,000 less than the aggregate value shown by the balance sheet.

4. REORGANIZATION OF COMPANY:

By agreements dated March 15, 1968, the company, the debentureholders, Continental Copper & Steel Industries, Inc. and certain shareholders have agreed to a reorganization of the company's affairs as set out following and subject to:

1. approval of the shareholders of the company
2. issuance of supplementary letters patent increasing the authorized capital of the company from $12,000,000 to $17,000,000 divided into shares of par value $1 each
3. acceptance for filing by the Toronto Stock Exchange of a filing statement reflecting the agreements
4. obtaining a ruling under the Securities Act, 1966 (Ontario) that the shares issued to the debentureholders will not constitute primary distribution as defined in the Act
5. authorization of the Office of Foreign Direct Investments, Department of Commerce, Washington for the guarantee of bank loan by Continental.

TERMINATION OF COPPER PURCHASE AGREEMENTS:

Continental has agreed to terminate March 31, 1968 various agreements by which the company, together with Sedren, contracted to sell to Continental 22,000,000 pounds of copper. The company

(Continued)

Consolidated Halliwell Limited

(No Personal Liability)

and its consolidated subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

TERMINATION OF COPPER PURCHASE AGREEMENTS (Continued)

is obligated to pay to Continental liquidated damages of U.S. $323,868 being equal to the discounts to which Continental would have become entitled in respect of the undelivered 16,193,106 pounds of the 80,000,000 pounds required to be delivered under the copper purchase agreements.

The company will issue to Continental 359,100 shares of its capital stock in full settlement of the liquidated damages of U.S. $323,868.

SETTLEMENT OF DISCOUNT DUE CONTINENTAL:

Continental has agreed to defer the discount on copper purchased due them at March 31, 1968 of U.S. $109,836. This amount will be payable in quarterly instalments of U.S. $10,000 commencing January 1, 1969 and the balance on or before July 1, 1970. Continental may convert on or before May 1, 1970 all or any part of the unpaid portion into shares of Halliwell at a price of Cdn. $1.25 per share.

DEFERMENT OF MORTGAGE OBLIGATION:

Continental has agreed to defer payment of the 6% mortgage due June 29, 1967 in the principal amount of U.S. $250,000 and interest accrued and unpaid thereon at March 31, 1968 of U.S. $76,344. The balance will be payable with interest at 6% in semi-annual instalments of U.S. $50,000 commencing January 1, 1969 and the balance on or before July 1, 1971 with payments applied firstly on account of interest.

ADDITIONAL WORKING CAPITAL:

Continental and certain shareholders have agreed to provide the company with new working capital by guaranteeing a bank loan of Halliwell for U.S. $500,000. In consideration therefor, Halliwell will issue to the guarantors 150,000 shares of its capital stock.

SETTLEMENT OF DEBENTURES:

As at March 31, 1968 the company is in default on the $2,907,000 principal amount of debentures outstanding and accrued interest thereon at that date of $670,920 aggregating $3,577,920. The debentureholders have agreed to accept 1,574,285 shares of Halliwell in full settlement of the debentures and accrued interest thereon at March 31, 1968.

5. CURRENT LIABILITIES:

If the reorganization of the company (see note 4) is not approved, all of the non-current liabilities amounting to $4,960,018 at December 31, 1967 become due and payable immediately.

6. CONTINGENT LIABILITY:

Sedren is contingently liable for severance allowances which under Haitian law are payable to any employee discharged after three months or more of service. No provision has been made by the company for possible severance payments. The company follows the policy of meeting these obligations as they materialize, charging such payments to expense when made.

7. COMPARATIVE FIGURES:

The 1966 figures have been reclassified on the basis of presentation used for 1967.

8. OTHER INFORMATION:

Direct remuneration of directors and senior officers (as defined by The Corporations Act, Ontario) amounted to $31,372 for the year.

9. OTHER INCOME:

Other income in 1966 includes $117,622 relating to an insurance claim in connection with a flash flood and fire.

EXHIBIT "D"

Secretary,

CONSOLIDATED HALLIWELL LIMITED

Suite 714, 62 Richmond Street West,

TORONTO 1, ONTARIO

SCHEDULE "B"

355★

CONSOLIDATED HALLIWELL LIMITED

Meeting of Shareholders - May 13, 1968

SCRUTINEERS' REPORT ON ATTENDANCE

PRESENT IN PERSON

7 shareholders, as per list attached, holding 35,605 shares

REPRESENTED BY PROXY

According to proxy forms filed in favour of:

M. Corbeil	representing	31,997 shares
J. B. Strachan	representing	300 shares
J. M. Lowndes	representing	100 shares
	TOTAL	31,997 shares

In addition to the proxy forms referred to above there are proxy forms which are, in our opinion, unacceptable and recommend that they be rejected.

The shares represented in person and by proxy have been checked by us against the shareholders register.

Date: May 13, 1968

J. Alexander
Scrutineer

Scrutineer

William Knopf	25,000
Fred B Rundlinger	10,000
Jimmy Cooper	1
Al H Fritz	1
Maggie Rutkopen	1
J Bowman	~~1~~ 1
J. M. W.	1
	35,005

Def

Fred Rundlinger (came late) 1

2½ shares
½
11½ shares

SCHEDULE "C"

Resolution of the Board of Directors
Passed on the 8th day of April, 1968.

RESOLVED that:

1. The Company do enter into the agreement dated as of the 15th day of March, 1968, between the Company and the holders of the Company's debentures in the form presented to the meeting and marked Schedule A to this resolution;

2. The Company do enter into the agreement dated as of the 15th day of March, 1968, between the Company and Continental Copper & Steel Industries, Inc. in the form presented to the meeting and marked Schedule B to this resolution;

3. The officers and directors be and they are hereby authorized and directed to do all things and sign all documents necessary or desirable for the due carrying out of the foregoing, and in particular to convene a meeting of shareholders for the purpose of approving the said agreements.

Exhibits to Schedule "C"

SCHEDULE A

THIS AGREEMENT dated as of the 15th day of March, 1968.

BETWEEN:

CONSOLIDATED HALLIWELL LIMITED (No Personal Liability), a company incorporated under the laws of the Province of Quebec, (herein called "Halliwell")

OF THE FIRST PART

- and -

MOGUL MINES LIMITED, K & G HOLDINGS LIMITED, and NATIONAL OUTLOOK CORPORATION, (herein collectively called the "Debentureholders"),

OF THE SECOND PART

WHEREAS Halliwell has issued and there are outstanding $2,907,000 (Canadian) principal amount of 6½% Sinking Fund Debentures due May 31, 1970 (the "Debenture") held by the Debentureholders, which Debentures are in default with respect to both principal and accrued interest thereon, in an amount aggregating $3,577,920.43 as of March 31, 1968;

AND WHEREAS the Debentureholders have agreed to exchange their Debentures (and the accrued interest thereon) for shares of Halliwell, on the terms and subject to the conditions hereinafter set forth;

NOW THIS AGREEMENT WITNESSES that in consideration of the mutual covenants herein contained the parties hereto do hereby agree each with the other as follows:

1. The Debentureholders hereby agree to exchange the outstanding Debentures of Halliwell owned by them respectively (aggregating $2,907,000 principal amount) and accrued interest thereon to March 31, 1968 (aggregating $670,920.43) for an aggregate of 1,574,285 shares of the par value of $1 each of Halliwell, which shares shall be issued to the Debentureholders, pro rata, forthwith upon fulfilment of the conditions

Exhibits to Schedule "C"

referred to in paragraph 3 as fully paid and non-assessable shares free from any escrow or other restriction.

2. Upon delivery to the Debentureholders of the 1,574,285 shares of Halliwell described in paragraph 1 hereof, all the outstanding Debentures shall be cancelled and the Trust Indenture between Halliwell and Guaranty Trust Company of Canada, as Trustee securing the said Debentures shall be automatically cancelled.

3. This agreement shall be subject to fulfilment of the following conditions on or before May 15, 1968:

(a) approval of the shareholders of Halliwell to this agreement;

(b) approval of the shareholders of Halliwell to an agreement dated as of March 15, 1968 between Halliwell and Continental Copper & Steel Industries, Inc. providing, inter alia, for the guarantee of a loan to Halliwell of $300,000 (U.S.) by a New York bank and for the settlement of the outstanding indebtedness of Halliwell's wholly-owned subsidiary La Societe d'Exploitation et de Development Economique et Natural d'Haiti S.A.;

(c) issuance of supplementary letters patent increasing the authorized capital of Halliwell from $12,000,000 to $17,000,000 divided into shares of the par value of One Dollar ($1) each;

(d) acceptance for filing by the Toronto Stock Exchange of a filing statement reflecting this agreement and the agreement referred to in paragraph 3(b); and

(e) a ruling shall have been obtained under the provisions of The Securities Act, 1966 (Ontario), as amended, to the effect that any sale by Debentureholders of the shares of Halliwell to be issued as referred to in paragraph 1 hereof shall not constitute a primary distribution to the public and that the Debentureholders will be exempt from the prospectus requirements of the said Act at the time

Exhibits to Schedule "C"

of any subsequent sale or sales by the Debentureholders of such shares or any of them.

4. The parties hereto shall execute and deliver such further assurances and documents as may be necessary or as counsel for Halliwell or the Debentureholders may deem desirable to effectuate this agreement.

5. This agreement may be executed in one or more counterparts and shall become effective upon execution thereof by the holders of at least 75 per cent of the principal amount of the outstanding Debentures.

6. This agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and assigns.

IN WITNESS WHEREOF this agreement (comprising all counterparts) has been duly executed by all the parties hereto.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Per MURRAY COOPER, President

c/s J.M. WAINBERG, Secretary

K & G HOLDINGS LIMITED

Per

c/s

MOGUL MINES LIMITED

G.D. PATTISON, Vice-President

c/s

R.D. BELL, Secretary

NATIONAL OUTLOOK CORPORATION

MERRYLE S. RUKEYSER, President

c/s

ADOLPH H. GRAETZ, Vice-President

Exhibits to Schedule "C"

SCHEDULE B

THIS AGREEMENT dated as of the 15th day of March, 1968

BETWEEN:

CONSOLIDATED HALLIWELL LIMITED (No Personal Liability), a company incorporated under the laws of the Province of Quebec,

(herein called "Halliwell")

OF THE FIRST PART

-and-

CONTINENTAL COPPER & STEEL Industries, Inc., a company incorporated under the laws of the State of Delaware,

(herein called "Continental")

OF THE SECOND PART

-and-

MAURICE GOODMAN AND ASSOCIATES,

OF THE THIRD PART

WHEREAS by agreement dated April 1, 1959, as amended by agreements dated as of July 1, 1964 and January 1, 1967 (collectively the "Copper Purchase Agreement"), all between Halliwell, Halliwell's wholly-owned Haitian subsidiary La Societe d'Exploitation et de Development Economique et Natural d" Haiti (Sedren) S.A. ("Sedren"), and Continental, Sedren agreed to sell and Continental agreed to purchase the first 80,000,000 pounds of copper metal in wire bar recovered by Sedren from the copper concentrates produced by Sedren from its mine in the Republic of Haiti;

AND WHEREAS by agreement dated as of July 1, 1964 as amended by agreement dated as of January 1, 1967 (collectively the "Concentrates Agreement") both between Continental, Sedren and Halliwell, Sedren agreed to sell and Continental agreed to purchase

the total production of copper concentrates produced by Sedren and, it was provided that for such period as Sedren delivered copper concentrates to Continental pursuant to the Concentrates Agreement, Sedren would be excused from the delivery to Continental of wire bar pursuant to the Copper Purchase Agreement;

AND WHEREAS all of the aforesaid agreements and releases issued thereunder are hereby ratified, confirmed and approved in all respects;

AND WHEREAS it is in the interest of Halliwell and Sedren to have the Copper Purchase Agreement and the Concentrates Agreement terminated in order that Halliwell may on its own behalf market the products of Sedren notwithstanding that upon such termination Sedren would become obligated to pay to Continental by way of liquidated damages and not as a penalty the sum of $323,868 which sum is equal to the discounts to which Continental would have become entitled in respect of the undelivered 16,193,406 pounds of the 80,000,000 pounds of copper required to be delivered under the Copper Purchase Agreement;

AND WHEREAS Halliwell requires additional financing in the amount of $300,000 (U.S.) if the mine of Sedren is to continue in operation;

AND WHEREAS Continental has agreed to the termination of the Copper Purchase Agreement and the Concentrates Agreement and to the settlement of the outstanding Sedren indebtedness and has also agreed to provide guarantees sufficient to enable Halliwell to obtain its required additional financing, all upon the terms and subject to the conditions hereinafter set forth:

NOW, THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants hereinafter contained,

Exhibits to Schedule "C"

the parties do hereby agree each with the other as follows:

1. Continental shall provide such guarantees as may be necessary to enable Halliwell and/or Sedren to borrow on normal banking terms the sum of $200,000 (U.S.) from a New York bank which sum shall be repayable in not less than two years and not more than three years; and Maurice Goodman and Associates agree to provide for $100,000 (U.S.) which sum shall be repayable in not less than two years and not more than three years.

2. The first mortgage obligation of Sedren originally issued by Sedren to Continental to secure a loan of $1,500,000 (U.S.) of which the principal sum of $250,000 (U.S.) is now past due and payable, together with the accrued and unpaid interest thereon to March 31, 1968 of $76,343.96 (U.S.) (aggregating $326,343.96) shall be payable with interest at 6% in instalments of $50,000 on the 1st days of January and July beginning on the 1st day of January, 1969, and the balance thereof shall be payable on the 1st day of July, 1971, such payments to be applied firstly on account of interest at the rate of 6 per cent per annum and the balance to be applied on account of principal with the privilege of repaying any amount at any time without notice or bonus.

3. The Copper Purchase Agreement and the Concentrates Agreement shall be terminated as of March 31, 1968 or as soon thereafter as the shipment scheduled to leave Haiti between March 28 and March 31 has left; the intention being that,

Exhibits to Schedule "C"

with the said shipment, all interest of Continental in Sedren's ore or agreements respecting Sedren's ore is terminated.

4. Halliwell shall forthwith allot and issue to Continental, or as Continental may in writing direct, shares of the par value of $1.00 each in the capital stock of Halliwell as fully paid and non-assessable shares free of any escrow or other restriction as follows:

   (a) 150,000 shares as consideration for providing the bank guarantees referred to in paragraph 1;

   (b) 359,100 shares in full payment and satisfaction of the liquidated damages of $323,868 payable by Sedren to Continental upon termination of the Copper Purchase Agreement.

5. Halliwell shall pay to Continental the sum of $109,836 (U.S.) in instalments of $10,000 each on the 1st days of January, April, July and October, beginning on the 1st day of January, 1969 and the balance on or before the 1st day of July, 1970 in full payment and satisfaction of the discount in the said amount which will be outstanding as at March 31, 1968 and which is payable by Sedren to Continental pursuant to the Copper Purchase Agreement provided however that Continental may on or before May 1, 1970 convert all or any part of the unpaid portion of the said sum of $109,836 (U.S.) into fully paid and non-assessable shares of Halliwell of the par value of $1.00 each at the price of $1.25 (Canadian) per share.

6. This agreement shall be subject to fulfilment of the following additional conditions on or before May 15, 1968.

Exhibits to Schedule "C"

(a) approval of the shareholders of Halliwell to this agreement.

(b) approval of the shareholders of Halliwell to an agreement dated as of March 15, 1968 between Halliwell and the holders of the outstanding $2,907,000 principal amount of 6-1/2% Sinking Fund Debentures of Halliwell providing, inter alia, for the cancellation of $1,308,150 principal amount of said Debentures and the accrued interest thereon and the conversion of the remaining $1,598,850 principal amount of said Debentures together with the accrued and unpaid interest thereon to March 31, 1968 into 1,574,285 fully paid and non-assessable shares of Halliwell of the par value of $1.00 each;

(c) issuance of supplementary letters patent increasing the authorized capital of Halliwell from $12,000,000 to $17,000,000 divided into shares of the par value of $1.00 each;

(d) acceptance for filing by the Toronto Stock Exchange of a filing statement reflecting this agreement and the agreement referred to in paragraph 6 (b);

(e) subject to the authorization of the Office of Foreign Direct Investments, Department of Commerce, Washington, D.C. to the aforesaid guarantee of Continental.

7. In the event that any one or more conditions of this agreement are not fulfilled, either party may on ten days written notice to the other cancel this agreement, in which event the Copper Purchase and Concentrates Agreements shall continue in full force and effect.

Exhibits to Schedule "C"

8. Forthwith upon the execution hereof, Halliwell shall convene a general meeting of its shareholders for the purpose of effectuating this agreement.

9. The parties hereto shall execute and deliver such further assurances and documents as may be necessary or as counsel for either party may deem desirable to effectuate this agreement.

10. This agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and assigns.

IN WITNESS WHEREOF, this agreement has been duly executed by all the parties hereto.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Per MURRAY COOPER, President

c/s

Per J.M. WAINBERG, Secretary

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

Per WALTER H. KNORR, Vice-President

c/s

Per H. KELLER, Secretary

MAURICE GOODMAN AND ASSOCIATES

Per MAURICE GOODMAN

THE ABOVE AGREEMENT IS hereby consented to and adopted by

SOCIETE d'EXPLOITATION et de DEVELOPPEMENT ECONOMIQUE et NATURAL d'HAITI (SEDREN) S.A.

Per MURRAY COOPER, President

c/s

Per J.M. WAINBERG, Treasurer

SCHEDULE "D"

BYLAW E

being a bylaw authorizing a petition for supplementary letters patent increasing the authorized capital of the Company.

WHEREAS the authorized capital of the Company is $12,000,000 divided into 12,000,000 shares of the par value of one dollar ($1.00) each, of which 11,936,674 shares have been issued and are outstanding and fully paid; and

WHEREAS it is deemed necessary and expedient in the interest of the Company that the authorized capital of the Company be increased as herein provided;

NOW THEREFORE BE IT ENACTED AND IT IS HEREBY ENACTED as Bylaw E of Consolidated Halliwell Limited (No Personal Liability) (herein called the "Company") that:

1. The authorized capital of the Company be and is hereby increased from $12,000,000 to $17,000,000 by the creation of 5,000,000 additional shares of the par value of one dollar ($1.00) each ranking pari passu in all respects with the existing shares of the Company;

2. The officers and directors be and they are hereby authorized and directed to do all things and sign all documents necessary or desirable for the due carrying out of the foregoing, and in particular to petition for supplementary letters confirming this bylaw.

ENACTED this 8th day of April, 1968.

SCHEDULE "E"

BYLAW F

being a bylaw respecting sale of shares at a discount.

BE IT ENACTED AND IT IS HEREBY ENACTED AS Bylaw F of Consolidated Halliwell Limited (No Personal Liability):

THAT the board of directors be and it is hereby authorized from time to time to issue by resolution, upon such terms and conditions as it deems advantageous, any of the shares of the Company with par value of one dollar ($1.00) each, at any premium above their par value or at a discount not exceeding sixty per cent (60%) of their par value, so that the issue price of each such share shall not be less than, but may be more than, forty cents (40¢).

ENACTED this 13th day of May, 1968.

"DEFENDANTS' EXHIBIT O IN EVIDENCE"

369X (95)

DX 115
for I.D.
10/21/71 wd.

May 16, 1968.

Continental Copper & Steel
Industries, Inc.,
100 East 42nd Street,
New York, N.Y. 10017,
U.S.A.

Attention: Mr. Mortimer S. Gordon,
President.

Dear Mr. Gordon:

This is to advise you that at the annual and special meeting of the Company called for that purpose and held in Quebec City on May 13, 1968, the agreement between Consolidated Halliwell Limited and Continental Copper & Steel Industries, Inc. and Maurice Goodman and Associates, as amended, was approved unanimously by the shareholders.

It is now in order for you to effectuate your covenant with respect to the loan to the Company of $300,000. As soon as this is accomplished, the 150,000 shares will be issued to the guarantors.

I am prepared to attend with you or your duly authorized representative and a duly authorized representative of Maurice Goodman and Associates at the Marine Midland Grace Trust Company of New York in New York City on Tuesday, May 21, 1968 at 11:00 a.m. to complete this transaction. Should this time or place not meet with your approval, please be good enough to phone me.

Sincerely,

CONSOLIDATED HALLIWELL LIMITED

Per _____
Murray Cooper - President

MC/js

cc: Mr. A.H. Graetz,
Maurice Goodman and Associates.

DEFENDANTS' EXHIBIT P0 IN EVIDENCE

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

641/370X

BY-LAW NUMBER "A"

being a by-law relating generally to the transaction of the business and affairs of the Company.

WHEREAS Consolidated Halliwell Limited (No Personal Liability) (hereinafter called the "Company") has heretofore enacted by-laws relating generally to the transaction of the business and affairs of the Company;

AND WHEREAS it is deemed advisable and convenient that a new and up-to-date by-law be enacted to incorporate all matters relating generally to the transaction of the business and affairs of the Company and rescinding all previous by-laws, resolutions and proceedings of the Company inconsistent therewith;

NOW, THEREFORE, BE IT ENACTED AND IT IS HEREBY ENACTED as BY-LAW NUMBER "A" of the Company as follows:

ARTICLE I - HEAD OFFICE

The head office of the Company shall be in the City of Montreal, in the District of Hochelaga, Province of Quebec, and at such place therein as may be designated from time to time by resolution of the directors, and failing such designation, at the place therein where the chief business of the Company may from time to time be carried on. The Company may establish such other offices and agencies elsewhere as it deems expedient.

ARTICLE II - SEAL

The corporate seal, an impression of which is stamped on the margin hereof, until otherwise changed or altered by the directors, is hereby adopted as the corporate seal of the Company. The seal shall be authenticated by the signature of the President, or

371A

by the signature of a Vice-President together with the signature of either the Treasurer or Assistant Treasurer, or Secretary or Assistant Secretary, or by the signature of the General Manager or Managing Director together with the signature of either a Vice-President or Treasurer, or Assistant Treasurer or Secretary or Assistant Secretary, or by the signature of any two directors.

ARTICLE III - DIRECTORS

(a) Number and Quorum - There shall be a board of eleven directors instead of nine of whom five shall constitute a quorum. The continuing directors may act, notwithstanding any vacancy in their number, so long as a quorum thereof remains in office.

(b) Qualifications - The qualification of a director shall be the holding and owning absolutely in his own right at the time of his election and throughout his term of office of at least one common share in the capital stock of the Company in respect of which there is no call in arrear.

(c) Term of Office - The directors shall hold office from the date of the meeting at which they are elected or appointed until the annual meeting next following and until their successors are elected or appointed. So long as a quorum of directors remains in office, any vacancies from time to time occurring in the board of directors may be filled by such directors as remain in office. A person appointed by such directors as remain in office to fill a vacancy in the board of directors shall hold office for the balance of the unexpired term of the vacating director and until his successor is elected or appointed.

372A

for that purpose; and the directors shall continue in office until their successors are duly elected.

(f) Removal of Directors - Any director or directors may at any time be removed from the office of director by a resolution passed by the vote of at least seventy-five percent (75%) in number of the shares represented in person or by proxy at a special general meeting of the Company of which due notice shall have been given setting forth the intention to remove the named director or directors. Upon the passing of such resolution, the said special general meeting may elect a director or directors to fill any vacancy or vacancies in such office. If after the conclusion of said special general meeting any vacancy or vacancies remain, the directors then holding office may fill such vacancy or vacancies.

ARTICLE IV - MEETING OF DIRECTORS

(a) Place of Meeting and Notice - Directors' meetings may be held at the City of Montreal or at such other place as the directors may from time to time determine.

Notice of such meetings shall be delivered or mailed or telegraphed or sent by any other form of transmitted or recorded message to each director at least two days (exclusive of the day on which the notice is delivered or mailed or telegraphed or sent but inclusive of the day for which notice is given) before the meeting is to take place.

Such meetings may be held at any time without formal notice being given if all the directors are present or if a quorum is present and those directors who are absent have signified their consent in writing,

any two directors may at any time, and the Secretary by direction of the Chairman of the Board, or the President or a Vice-President, or any two directors, shall convene a meeting of directors.

(c) Presiding Officer - The Chairman of the Board, if there be one, shall preside at every meeting of directors. If there is no Chairman of the board, or if he is absent, then the President shall preside. If there is no such chairman and the President is absent, or if both are absent, then the Senior Vice-President shall preside. If none of the above-mentioned officers is present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to preside at said meeting.

(d) Voting at - Questions arising at any meeting of the directors shall be decided by a majority of votes.

ARTICLE V - POWERS OF THE DIRECTORS

(a) The directors shall have power to deal from time to time by resolution of the board with all questions arising in regard to allotment of stock, the making of calls thereon, the payment thereof, the issue and registration of certificates of stock; the forfeiture of stock for non-payment, the disposal of forfeited stock and the proceeds thereof, the transfer of stock, the declaration and payment of dividends; the appointment, functions, duties and removal of all appointed officers, agents and servants of the Company, the security to be given by them to the Company and their remuneration; all banking arrangements and transactions of and for the Company; the

3741

conduct in all other particulars of the affairs of the Company and to administer the affairs of the Company in all things and make or cause to be made for it in its name any kinds of contract which it may lawfully enter into.

(b) The directors shall have power to award or allow any commission, gratuity or compensation to any person which they think conducive to the interests of the Company, and in particular give, award or allow any pension, gratuity or compensation to any employee of the Company or his widow or children whether such person has or has not a legal claim upon the Company.

(c) The management of the business of the Company shall be vested in the directors, who, in addition to the powers and authorities by these by-laws, or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company, and are not hereby or by statute expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Statute and of these by-laws and to any by-law of the Company; provided that no by-law so made shall invalidate any prior act of the directors which would have been valid if such by-law had not been made.

(d) All acts done by any meeting of the directors, or by any person acting as a director, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such director or directors or person or persons acting as aforesaid, or that they or any of them were disqualified,

375A

shall be valid as if every such person had been duly appointed and was qualified to be a director.

(e) No act or proceeding of any director or directors shall be deemed invalid or ineffective by reason of the subsequent ascertainment of any irregularity in regard to such act or proceeding or the qualification of such director or directors.

ARTICLE VI - REMUNERATION OF DIRECTORS

(a) The remuneration to be paid to the directors shall be such remuneration as the board shall from time to time determine.

(b) The directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in going to, attending and returning from board, committee and shareholders' meetings and any other expenses properly incurred by them in connection with the affairs of the Company in the execution of their duties as directors, or to receive a fixed allowance in respect thereof as may be determined by the board from time to time.

(c) The directors may by resolution award special remuneration to any director or officer of the Company undertaking any special work or service for, or undertaking any special mission on behalf of, the Company other than routine work ordinarily required of such director or officer of the Company.

(d) Any remuneration payable to a director who is also an officer or employee of the Company, or who is counsel or solicitor to the Company, or otherwise serves it in a professional capacity, shall be in addition to his salary as such officer or his professional fees as the case may be.

ARTICLE VII - SUBMISSION OF CONTRACTS ON TRANSACTIONS FOR APPROVAL 376A

Any contract, act or transaction may in the discretion of the board of directors be submitted for approval or ratification to any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved or ratified by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Quebec Companies Act or by the Company's letters patent, supplementary letters patent or any other by-law) shall be as valid and as binding upon the Company and upon all the shareholders as though it had been approved or ratified by every shareholder of the Company.

ARTICLE VIII - DISCLOSURE OF INTEREST BY AND PROTECTION OF DIRECTORS AND OFFICERS

In supplement to, and not by way of limitation upon any right conferred upon directors by Division XXV of the Quebec Companies Act, it is declared that no director or officer shall be disqualified by his office from, or vacate his office by reason of holding any office or place of profit under the Company or under any company in which the Company shall be a shareholder or otherwise interested or contracting with the Company either as vendor, purchaser or otherwise, or being concerned in any contract or arrangement made or proposed to be entered into with the Company in which he is interested either as vendor, purchaser or otherwise, nor shall

any contract or arrangement entered into by or on behalf of the Company in which any director or officer shall be in any way interested be voided, nor shall any director or officer be liable to account to the Company for any profit arising from any such office or place of profit or realized by any such contract or arrangement by reason of the fiduciary relationship existing, if such director or officer has made a declaration of his interest and has not voted in respect of any such contract or arrangement. For the purposes of this Article VIII, a general notice given to the director of a company by a director or officer to the effect that he is a shareholder of or otherwise interested in any other company, or is a member of a specified firm and is to be regarded or interested in any contract or arrangement made with such company or firm shall be deemed to be a sufficient declaration of interest in relation to any contract or arrangement as made.

ARTICLE IX - INDEMNIFICATION

Every director, the President, the Vice-President, the Secretary and every other officer of the Company, and the trustee or trustees (if any) for the time being acting in relation to any of the affairs of the Company, and every one of them, and every one of their heirs, executors and administrators and their estates and effects respectively shall from time to time and at all times be indemnified and secured harmless out of the funds of the Company from and against all actions, costs, charges, losses, damages and expenses whatsoever which they or any of them, their or any of their heirs, executors

in the new act or statute. For the purpose of Section 84 of the Quebec Companies Act, the first sentence of Article III shall be deemed to be the by-law referred to in the said section.

ARTICLE VII - COMING INTO FORCE

This by-law, on coming into force as hereunder provided, shall be deemed to repeal and rescind all previous by-laws, resolutions and proceedings of the Company inconsistent herewith, and without limiting the generality thereof including by-laws 1, 1A, 6 and 6A.

This by-law shall come into force on the day on which it is sanctioned and confirmed at a general meeting of shareholders.

PASSED and ENACTED by the Board of Directors this 2nd day of May, 1961

AS WITNESS the corporate seal.

William Plow
President

[illegible]
Secretary

DEFENDANTS' EXHIBIT Q IN EVIDENCE"

MINUTES of the Annual and Special General Meeting of Shareholders of CONSOLIDATED HALLIWELL LIMITED held at the Royal Embassy Hotel, Sherbrooke and Peel Streets, Montreal, Quebec, on Tuesday, the 25th day of July, 1967 at the hour of 10:00 o'clock in the forenoon, Montreal time.

FORMALITIES:

The president of the Company, Mr. Cooper, acted as chairman of the meeting and requested the secretary of the Company, Mr. J.M. Wainberg, to act as secretary of the meeting.

The chairman then appointed Mr. Wainberg and Mr. Robert P. Spackman of Eastern & Chartered Trust Company scrutineers of the meeting.

NOTICE CALLING MEETING:

Notice calling this meeting of shareholders was sent to all registered shareholders of the Company on June 29, 1967, in accordance with the by-laws of the Company and all other laws and regulations governing Canadian corporations, as evidenced by the sworn declaration of Mr. Robert P. Spackman, annexed to these minutes as Schedule "A".

ATTENDANCE:

The Scrutineers' Report on Attendance, annexed to these minutes as Schedule "B", states that the following shareholders were present in person and by proxy:

Present in Person	Shares Held
Georges Baussan, fils	1
Murray Cooper	1
Adolph H. Graetz	1
J. M. Wainberg	1
By Proxy in Favour of:	
Murray Cooper	2,791,679

being a quorum of the shareholders of the Company.

CONSTITUTION OF MEETING: 380A

Notice of the meeting having been sent to all registered shareholders of the Company and a quorum of the shareholders being present in person or by proxy, the chairman declared the meeting regularly constituted for the transaction of business.

MINUTES OF LAST SHAREHOLDERS MEETING:

The chairman advised the meeting that the minutes of the last meeting of shareholders were available to any shareholder for perusal and unless a shareholder wished them read, the chair would entertain a motion to take the minutes as read and verified and approved. No shareholder made such request, and

UPON MOTION regularly made by Mr. Graetz, seconded by Mr. Baussan and unanimously carried,

IT WAS RESOLVED that the minutes of the annual meeting of shareholders held on June 29, 1966 be taken as read, and verified and approved.

AUDITORS' REPORT:

The chairman presented to the meeting the consolidated balance sheet of the Company and accompanying financial statements for the year ended December 31, 1966, together with the Auditors' Report thereon dated March 7, 1967 and all the transactions reflected thereby, the report by the president on behalf of the board of directors dated June 22, 1967, the report of the Mine Manager of the Company's wholly-owned subsidiary (SEDREN, S.A.) dated May 12, 1967, all contained in the Annual Report, annexed to these minutes as Schedule "C", and requested the secretary to read the Auditors' Report for the year ended December 31, 1966, with which request the secretary complied.

UPON MOTION regularly made by Mr. Graetz, seconded by Mr. Wainberg, and unanimously carried,

IT WAS RESOLVED that the Annual Report of the Company for the year ended December 31, 1966 comprising

the consolidated balance sheet of the Company and accompanying financial statements for the year ended December 31, 1966 together with the Auditors' Report thereon dated March 7, 1967 and all the transactions reflected thereby, the report by the president on behalf of the board of directors dated June 22, 1967, the report by the Mine Manager of the Company's wholly-owned subsidiary (SEDREN, S.A.) dated May 12, 1967, be and the same is hereby adopted.

CONFIRMATION OF BY-LAW "C"
DECREASE IN THE NUMBER OF DIRECTORS:

The chairman presented to the meeting By-Law No. "C" enacted by the board of directors on June 22, 1967, providing for a decrease in the number of directors on the board, annexed to these minutes as Schedule "D". The secretary read By-Law No. "C" to the meeting.

The following resolution was regularly made by Mr. Baussan and seconded by Mr. Graetz:

RESOLVED that By-Law No. "C" be and the same is hereby approved.

A poll was taken. The chairman then declared the resolution duly carried by a vote of 2,736,205 votes FOR and 55,178 votes AGAINST. The chairman directed that the Scrutineers' Report on Ballot on Motion to approve By-Law No. "C" be annexed to the minutes of this meeting as Schedule "E".

ELECTION OF DIRECTORS:

The chairman called for nominations for directors of the Company and the following persons were nominated:

Georges Baussan, fils
Murray Cooper
Adolph H. Graetz
Walter H. Knorr
William P. Nash
Merryle S. Rukeyser, and
Jacob M. Wainberg, Q.C.

UPON MOTION regularly made by Mr. Wainberg, seconded by Mr. Baussan and unanimously carried,

IT WAS RESOLVED that nominations be closed.

382A

There being no further nominations and no shareholder having demanded a ballot, the Chairman declared that Messrs. Georges Baussan, fils; Murray Hooper; Adolph H. Graetz; Walter H. Knorr; William P. Ram; Merryle S. Rukeyser; and Jacob M. Wainberg, O.B.E. are duly elected directors of the Company until the next annual election of directors or until their successors are elected or appointed.

REMUNERATION OF DIRECTORS:

UPON MOTION regularly made by Mr. Graetz, seconded by Mr. Baussan and unanimously carried,

IT WAS RESOLVED that each director be paid the sum of $100 for every meeting of the board of directors and shareholders attended by him, inclusive of today's meetings and that each director be paid all necessary and proper travelling expenses incurred by him in connection with and while engaged on the affairs of the Company.

APPOINTMENT OF AUDITORS:

UPON MOTION regularly made by Mr. Graetz, seconded by Mr. Wainberg, and unanimously carried,

IT WAS RESOLVED that Messrs. Thorne, Gunn, Helliwell & Christenson be appointed auditors of the Company and the board of directors be and it is hereby authorized to fix the remuneration of the auditors.

CONFIRMATION OF BY-LAW "D" AMENDING BY-LAW "A":

The chairman presented to the meeting By-Law No. "D" enacted by the board of directors on June 22, 1967 providing for certain amendments to By-Law No. "A", annexed to these minutes as Schedule "F". The secretary read By-Law No. "D" to the meeting.

The following resolution was regularly made by Mr. Baussan and seconded by Mr. Wainberg:

BEST COPY AVAILABLE

RESOLVED that By-Law No. "D" be and the same is hereby approved.

A poll was taken. The chairman then declared the resolution duly carried by a vote of 2,729,655 votes FOR and 62,028 votes AGAINST. The chairman directed that the Scrutineers' Report on Ballot on Motion to Approve By-Law No. "D" be annexed to the minutes of this meeting as Schedule "G".

TERMINATION OF MEETING:

UPON MOTION regularly made by Mr. Graetz, seconded by Mr. Baussan and unanimously carried,

IT WAS RESOLVED that this meeting be terminated.

Chairman

Secretary

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C A N A D A

Province of Quebec

TO WIT:

)IN THE MATTER of the mailing
)a Notice calling the Annual
)and Special General Meeting c
)the Shareholders of CONSOLIDA
)HALLIWELL LIMITED for Tuesday
)the 25th day of July, 1967.

I, Robert P. Spackman of the City of Montreal in the Province of Quebec, do solemnly declare:

1. THAT I am the Manager of the Corporate Services Department of Eastern & Chartered Trust Company, Montreal, Quebec, Transfer Agent and Registrar of CONSOLIDATED HALLIWELL LIMITED, and as such have knowledge of the matters herein deposed to.

2. THAT I did on June 29th, 1967, cause to be deposited in Her Majesty's Mail at Montreal, Quebec, postage prepaid, the Notice calling the Annual and Special General Meeting of the Shareholders of CONSOLIDATED HALLIWELL LIMITED, with Proxy Form, Annual Report and Return Envelope, addressed to the Secretary of the Company, true copies of which are annexed hereto and marked as Exhibits "A", "B", "C" and "D" respectively to this my Declaration, addressed to each of the shareholders of CONSOLIDATED HALLIWELL LIMITED, at his, her or its address as appeared upon the Register of Shareholders on the 26th day of June, 1967.

AND I make this Declaration conscientiously, believing it to be true, and knowing that it is of the same force and effect as if made under Oath and by virtue of the "Canada Evidence Act".

DECLARED before me at the)
City of Montreal, in the)
Province of Quebec, this)
24th day of July, 1967.)

Robert P. Spackman

Commissioner for Oaths
District of Montreal

384A

SCHEDULE "A"

385A

To Minutes of
Annual and Special General Meeting of Shareholders
Held July 25, 1967

"A"

CONSOLIDATED HALLIWELL LIMITED

(No Personal Liability)
Suite 714, 62 Richmond Street West
Toronto 1, Ontario.

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual and a Special General Meeting of the Shareholders of CONSOLIDATED HALLIWELL LIMITED (No Personal Liability) will be held in the Royal Embassy Hotel, Sherbrooke and Peel Streets, Montreal, Quebec, on

TUESDAY, THE 25th DAY OF JULY, 1967

at the hour of 10:00 o'clock in the forenoon (Montreal time) for the following purposes:

(a) to receive and consider the consolidated balance sheet of the Company and accompanying financial statements for the year ended December 31, 1966, together with the Auditors' Report thereon dated March 7, 1967 and all the transactions reflected thereby, the Report by the President on behalf of the Board of Directors dated June 22nd, 1967, the Report by the Mine Manager of the Company's wholly-owned subsidiary (SEDREN, S.A.) dated May 12th, 1967, all contained in the Annual Report submitted herewith;

(b) to approve, subject to such amendments or variations as may be made at the meeting, By-law No. "C", set out in the Information Circular submitted herewith;

(c) if By-law No. "C" is approved, to elect 7 directors, otherwise 11 directors, and fixing their remuneration;

(d) to appoint auditors and authorize the board to fix their remuneration;

(e) to approve, subject to such amendments or variations as may be made at the meeting, By-law No. "D", set out in the Information Circular submitted herewith; and

(f) to transact such other business as may properly come before the meeting.

Accompanying this notice is an Information Circular wherein are set out the two by-laws with other pertinent information and the Annual Report.

Shareholders who will not attend the meeting are respectfully requested to complete, sign and return the proxy form accompanying this notice.

DATED at Toronto, Ontario, this 22nd day of June, 1967.

By Order of the Board,

J. M. WAINBERG,
Secretary.

INFORMATION CIRCULAR

1. Solicitation of Proxies

This information circular is furnished by the management of Consolidated Halliwell Limited (the "Company") in connection with the solicitation of proxies to be used at the annual and special general meeting of shareholders of the Company to be held in Montreal on July 25, 1967 for the purposes set forth in the accompanying notice of meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by directors, officers and regular employees of the Company. The cost of such solicitation will be nominal and will be borne by the Company.

2. Appointment and Revocation of Proxies

The persons named in the accompanying proxy form are directors of the Company and nominees of management. A shareholder desiring to appoint some other person to represent him at the meeting may do so either by inserting such person's name in the blank space provided in the proxy form, striking out the names of management's nominees and initialling the change, or by completing another proxy form. In either case the completed proxy form must be delivered to the Secretary of the Company. The proxy must himself be a shareholder or the proxy of a corporate shareholder.

A shareholder who has given a proxy may revoke it at any time as to any matter on which a vote has not been cast either (a) by signing a proxy bearing a later date and delivering it to the Secretary of the Company, or (b) by signing a notice of revocation of the proxy and delivering it to the Secretary of the Company or the Chairman of the meeting.

3. Exercise of Discretion by Proxies

The proxies named will vote the shares in respect of which they are appointed in accordance with the direction of the shareholder appointing them. In the absence of such direction, such shares will be voted for the approval of the balance sheet and related financial statements and the transactions reflected thereby, and for the election of directors and the appointment of auditors as stated under those headings in this circular. The enclosed proxy form confers discretionary authority upon the proxies named therein with respect to amendments or variations to matters identified in the notice of meeting, and to other matters which may properly come before the meeting. At the date of this circular the management of the Company is not aware that any such amendments or variations or other matters are to be presented for action at the meeting.

4. Voting of Shares

All shareholders of record at the time of the meeting are entitled to vote at the meeting. On the date of this information circular there were 11,936,674 equity shares outstanding all of one class, each carrying the right to one vote.

5. Election of Directors

There are presently 11 directors on the board. Directors hold office until the annual meeting following their election or appointment. At the coming annual meeting shareholders will be asked to confirm a by-law reducing the board to 7 directors and fix 3 as a quorum.

If the shareholders approve the by-law, the officers and directors intend to nominate and cast all shares held by them and all proxies in their favour FOR the election of the following:

Name of Director and Office Held in Company	Principal Occupation during past five years	Director of Company since	Shares Owned Beneficially
GEORGES BAUSSAN, Fils Director and Vice-President	Lawyer, self employed in the practice of law in Port-au-Prince, Haiti.	1955	1
MURRAY COOPER Director and President	Mining Executive, President and Director of Silver-Miller Mines Limited and other corporations, Toronto.	1960	1
ADOLPH H. GRAETZ Director and First Vice-President	Corporation Executive, Director and Vice-President of National Outlook Corporation, New York. Director and Treasurer of Panacolor Inc., New York.	1960	1
WALTER H. KNORR Director	Corporation Executive, Vice-President and Treasurer of Continental Copper & Steel Industries, Inc., New York.	1961	1

WILLIAM P. NASH To be proposed as a director	Corporation Executive, Vice-President of The Golden Cycle Corporation, Colorado Springs, Colorado.	—	1
MERRYLE S. RUKEYSER To be proposed as a director	Consultant Economist, Director and President of National Outlook Corporation; Director of Deuterium Corp., New York.	—	1
JACOB M. WAINBERG, Q.C. Secretary of the Company, to be proposed as a director	Lawyer, self employed in the practice of law, Toronto.	—	1

Management is not presently aware than any of the above nominees are unwilling or unable to serve as a director if elected. But should any vacancy occur in the above slate of nominees, the remaining nominees shall nominate as directors any other person or persons of their choice.

If the by-law is not approved the nominees shall nominate 4 additional persons of their choice whose names are, at present, undecided.

National Outlook Corporation of New York is the holder of $150,000 of the Company's 6½% Sinking Fund Debentures. Messrs. Graetz and Rukeyser above referred to are directors and officers of National Outlook Corporation.

6. Appointment of Auditors

The proxies named by management in the proxy form intend to cast all their votes for the re-appointment of the auditors of the Company, Thorne, Gunn, Helliwell & Christenson, which firm and its predecessor, Thorne, Mulholland, Howson & McPherson, have been auditors of the Company for more than five years.

7. Other Matters

In addition to the routine business of an annual meeting, the only other business of which management is now aware on which action will be taken will be the submission to the meeting of By-Law No. "C" and By-Law No. "D" amending By-Law No. "A". These by-laws must be approved and confirmed by at least two-thirds of the votes cast at the meeting before becoming effective. In the opinion of management both by-laws are desirable and in the interests of the Company and its shareholders. They are reproduced in full below.

No person who has been a director or senior officer of the Company since the beginning of the last completed fiscal year, or any associate of any such person, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter intended to be acted upon at the meeting other than the election of directors and the appointment of auditors.

8. Remuneration of Directors and Officers

During the past fiscal year the aggregate direct remuneration paid or payable by the Company (including its subsidiaries) to its directors and senior officers was $49,149.15 (Canadian funds).

The Company pays its directors and officers $100 plus reasonable travelling expenses for each meeting of directors and shareholders attended by them, and pays $200 per month for secretarial services.

There are no pension or retirement benefits proposed to be paid to directors or senior officers of the Company. No stock options have been granted during the past fiscal year and none are in existence.

By agreement dated January 27, 1965, the Company granted to Gregory Bryan, its mine manager, an option to purchase up to 100,000 shares of the Company at 40¢ per share, of which 25,000 were taken down in 1965 and 25,000 in 1966. The option has since been terminated.

9. Principal Holdings of Shares

To the knowledge of the directors or senior officers of the Company, no person or corporation has more than 10% of the issued and outstanding shares of the Company.

10. Interest in Material Transactions

No director, senior officer or proposed nominee for election as a director of the Company or any associate or affiliate of any of them had any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year or has any material interest in any proposed transaction. Reference is made to the notes to the Consolidated Financial Statement for the year ended December 31, 1966, herewith submitted for transactions between the Company and Continental Copper & Steel Industries, Inc. of which Mr. Knorr is a vice-president and treasurer.

Submitted on behalf of the management this 22nd day of June, 1967.

CONSOLIDATED HALLIWELL LIMITED

(No Personal Liability)

BY-LAW NO. "C"

BE IT ENACTED and it is hereby enacted as a by-law of Consolidated Halliwell Limited as follows:

1. The number of directors of the Company be and the same is hereby decreased from 11 to 7 so that the board of directors of the Company shall hereafter be composed of 7 directors.

2. Three directors shall constitute a quorum at any meeting of the board.

3. By-law No. "A" and all other by-laws, resolutions and proceedings of the Company inconsistent herewith are hereby amended in order to give effect to this by-law.

ENACTED this 22nd day of June, 1967.

BY-LAW NO. "D"

BE IT ENACTED and it is hereby enacted as a by-law of Consolidated Halliwell Limited as follows:

1. By-law No. "A", Article IV(d) is hereby amended to read as follows:

"Questions arising at any meeting of the board of directors shall be decided by a majority of votes, and in case of an equality of votes, the chairman of the meeting shall be entitled to an additional casting vote."

2. By-law No. "A", Article XXIV(h) is hereby amended to read as follows:

"Every shareholder, including a corporate shareholder, entitled to vote at meetings of shareholders may by a proxy instrument, appoint a proxy (who must himself be entitled on his own behalf to be present and vote at the meeting or has been appointed to act at that meeting as proxy for a corporation) to attend meetings of shareholders and to exercise at such meetings all the powers of the shareholder he represents. A proxy instrument shall be in writing, and, if the appointor is a corporation, under the corporate seal or under the hand of an officer or attorney so authorized. Proxy instruments shall be in such form as the board from time to time prescribes or as the chairman of the meeting accepts. A proxy instrument ceases to be valid after the expiration of one year from the date thereof."

3. By-law No. "A" and all other by-laws, resolutions and proceedings of the Company inconsistent herewith are hereby amended in order to give effect to this by-law.

ENACTED this 22nd day of June, 1967.

"DEFENDANTS' EXHIBIT R IN EVIDENCE"
DX-104
For I.D. 6/25/71 W.S.

68-25

42 389A

Neither the Ontario Securities Commission nor the Toronto Stock Exchange has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

ONTARIO SECURITIES COMMISSION : : THE TORONTO STOCK EXCHANGE

STATEMENT OF MATERIAL FACTS

of

CONSOLIDATED HALLIWELL LIMITED

Head Office: Suite 930, One Place Ville Marie, Montreal, Quebec.

Executive Office: Suite 1300, 121 Richmond Street West, Toronto, Ontario.

OFFERING of 1,473,662 shares
by Mogul Mines Limited and
K. & G. Holdings Limited

The shares will be offered by the Selling Shareholders herein referred to through the facilities of the Toronto Stock Exchange on an Open Market Distribution basis.. For particulars of such offering, reference is made to Items 2 and 3 within.

No part of the proceeds of this offering will accrue to the benefit of the Company. These shares are part of a block of 1,574,295 shares issued to the holders of debentures of the Company which were in default, the holders having agreed to accept the same in full settlement of the principal and interest unpaid thereon.

The Selling Shareholders intend to sell the shares through Draper, Dobie & Company Limited or other members of The Toronto Stock Exchange.

Not less than five business days and not more than twenty-one business days after this Statement is filed, Draper, Dobie & Company Limited will notify the Toronto Stock Exchange that the Open Market Distribution will commence at the beginning of trading on a named day which will be announced by the Toronto Stock Exchange. (See Item 2)

During the period of the offering the Selling Shareholders may make bids or purchases for the purpose of stabilizing the open market price of the shares, as permitted by Ruling No.81 of the Toronto Stock Exchange, and will comply with by-laws, rulings and regulations of the Exchange pertaining to orderly marketing of the shares. Such shares will be offered into the open market in compliance with the terms of this offering.

THE SECURITIES OFFERED HEREBY ARE SPECULATIVE SECURITIES.

STATEMENT OF MATERIAL FACTS

CONSOLIDATED HALLIWELL LIMITED

1. Give brief details of the circumstances relating to the offering of the securities and any material changes in the affairs of the issuer.

The Company has issued 2,083,385 shares in settlement of certain outstanding liabilities of the Company and damages for cancellation of sales contracts, as set out in Item 24.

2. Set out the description, designation and number of shares being offered by the issuer or selling shareholder. If any of the shares being offered are to be offered for the account of a selling shareholder, name such shareholder and state the number of shares owned by him, the number to be offered for his account and the number to be owned by him after the offering.

Mogul Mines Limited and K. & G. Holdings Limited, a private investment company, (the "Selling Shareholders") intend to offer for sale an aggregate of 1,473,662 shares of the par value of $1 each in the capital of the Company allotted and issued to the Selling Shareholders as referred to in Item 24 hereof. The Selling Shareholders propose to offer the said 1,473,662 shares of the Company on an Open Market Distribution basis, commencing on the named day which will be announced by the Exchange as referred to on the face page hereof, at the prevailing market prices from time to time until the said shares are sold or until the Selling Shareholders withdraw their offer to sell.

3. Set out the price to the public, underwriting discounts or commissions and the estimated net proceeds to the issuer or selling shareholder, on both a per share and an aggregate basis. If it is not possible to state the price to the public or the underwriting discount or commissions, the method by which they are to be determined shall be explained. Give the range of the market price during the previous ninety days.

The shares of the Company to be sold by the Selling Shareholders as referred to in Item 3 above will be sold through the facilities of the Toronto Stock Exchange on an Open Market Distribution basis.

During the 90-day period preceding the date hereof, shares of the Company have traded in the range from a low of 51 cents per share to a high of 61 cents per share.

4. State the principal purposes for which the estimated net proceeds to be derived by the issuer from the sale of the shares to be offered are intended to be issued for each such purpose. If any material amounts of other funds are to be used in conjunction with the proceeds, state the amounts and sources of such other funds.

No part of the proceeds to be derived from the sale of the shares will accrue to the Company.

5. State the laws under which the issuer was incorporated and whether incorporation by letters patent or otherwise or under a particular part of an incorporating statute dealing with mining companies and the date thereof.

The Company was incorporated under the Quebec Mining Companies Act by letters patent dated February 17, 1933 under the name Halliwell Gold Mines Limited with an authorized capital divided into 3,000,000 shares of one dollar par. Subsequent supplementary letters patent made the following changes:

-December 15, 1942: increased the capitalization to 5,000,000 shares of one dollar par
-January 5, 1954: changed the name to Consolidated Halliwell Limited and reduced the capitalization to 1,000,000 shares and increased it to 5,000,000 shares of one dollar par
-March 31, 1955: increased the capitalization to 10,000,000 shares of one dollar par
-June 20, 1961: increased the capitalization to 12,000,000 shares of one dollar par
-May 13, 1968: increased the capitalization to 15,000,000 shares of one dollar par

6. Give names, addresses and chief occupation for the past five years of the officers and directors of the issuer.

GEORGES BAUSSAN, Fils Director and Vice-President	Lawyer, self-employed in the practice of law in Port-au-Prince, Haiti.	P. O. Box 604, Port-au-Prince, Haiti.
MURRAY COOPER Director and President	Mining Executive, President and Director of Consolidated Halliwell Limited and other companies, Toronto.	2500 Bathurst Street, Toronto, Ontario.
ADOLPH H. GRAETZ Director and First Vice-President	Corporation Executive, Director and Vice-President of National Outlook Corporation, New York, Director and Treasurer of Panacolor Inc., New York.	16 Oxford Road, Massapequa, N.Y. U. S. A.
FREDERICK B. GROSSELFINGER Director	Consulting Chemical Engineer, Consulting Engineer to Farbwerke Hoechst A. G. New York, formerly president of Hoechst-Uhde Corp. of New York.	84 Bourndale Road, South Manhasset, N. Y.

THOMAS J. KENNEDY Director	Corporation Executive, vice-President of CCS Mining Company Ltd., a subsidiary of Continental Copper & Steel Industries, Inc., New York.	40 West 77th Street, New York, N. Y.
MERRYLE S. RUKEYSER Director	Consultant Economist, Director and President of National Outlook Corporation, Director of Deuterium Corp., New York.	21 Glenbrook Dr., New Rochelle, N. Y.
J. M. WAINBERG, Q. C. Director and Secretary-Treasurer	Lawyer, self-employed in the practice of law, Toronto.	407 Richview, Avenue, Toronto 10, Ontario.
STANLEY R. JACOBSON Assistant Secretary	Lawyer, employed by the legal firm of Gordon, Brady, Keller & Ballen, New York.	67-24 161st Street, Flushing, N. Y.

7. State the share capitalization of the issuer showing authorized and issued capital.

Presently authorized: 17,000,000 shares with a par value ($1) one dollar each.

Issued and Outstanding: 14,020,059 shares including 1,574,285 which have been allotted subject to the conditions in the agreements referred to in Item 24.

8. Give particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations of the issuer.

Following the cancellation of outstanding 6½% Sinking Fund Debentures of the Company (as referred to in Item 24) the only bonds, debentures, notes, mortgages, charges, liens or hypothecations of the Company are the first mortgage given by Sedren, the Company's wholly owned subsidiary in Haiti, and the promissory notes given to secure the loans for $300,000 from Marine Midland Grace Trust Company of New York, both as set out in Item 24.

9. Outline briefly the manner in which the shares being offered are to be distributed, giving particulars of any outstanding or proposed underwriting or option agreement including the names and address of each underwriter or optionee. Give similar particulars of sub-underwriting or sub-option agreements outstanding or proposed to be given and particulars of any assignments or proposed assignments of any such agreements.

The shares will be distributed as set out in Item 3.

There are no other underwritings or options or sub-underwritings or sub-options extant or proposed save the option set out in Item 24.

10. Give name and address of any person or company who beneficially owns, directly or indirectly, in excess of 10% of the shares of any Company named in answer to Item 9 hereof and the number and percentage of equity shares so owned.

None.

11. Give particulars of any payments in cash or securities of the issuer made or to be made to a promoter or finder in connection with the proposed underwriting.

No payments in cash or securities of the Company have been made or are to be made to a promoter or finder in connection with the issuance of any of the shares referred to in Item 2.

12. Give brief particulars of important properties owned, leased, held under option or operated or presently intended to be owned, leased, held under option or operated by the issuer:

See Item 17.

13. Indicate whether any property referred to in Item 12 is without a known body of commercial ore or reserve of recoverable oil and gas.

SEDREN S.A. is a wholly owned subsidiary of CONSOLIDATED HALLIWELL LIMITED in the Republic of Haiti. Under a franchise acquired from the government, SEDREN S.A. holds the mining rights on a block approximately ten miles square located twelve miles north of the City of Gonaives in the North West Department of Haiti.

The property can be reached by travelling north from Port-au-Prince some 120 miles by highway or through the Company's own port facilities, at Lapierre on the Bay of Gonaives. The property went into production in 1961 and has been in continuous operation since that date.

Copper mineralization in the form of chalcopyrite and bornite accompanied by pyrite and magnetite is found more or less continuously, along the limestone and volcanic contacts in the vicinity of the operation. Enriched pods or mining zones occur at frequent intervals along these contacts. The present working areas lie between the 1300 foot horizon above sea level to approximately 2000 feet above sea level. Exploration diamond drilling has indicated ore grade material to a depth of 1100 feet above sea level. No information is as yet available below this horizon.

Minor amounts of gold and silver are associated with the mineralization.

Ore reserves within the present mine workings above the 1300 foot horizon above sea level, as of June 1, 1968 stand at 327,680 tons, grading 1.53% copper, with minor amounts of gold and silver.

A number of blocks of mineralized material, grading in the range of 1% copper, are known to exist in the present mine area, but have not been included in the ore reserve figures. Two diamond drill holes have penetrated to the 1100 foot horizon above sea level. These holes have returned values of 1.60% copper over a core length of 56.8 feet and 3.18% copper over a core length of 44.6 feet. At present there is insufficient geological information to evaluate these holes.

The new number three shaft has penetrated some two hundred feet below the present mine workings, but no exploration has been carried out as of this date.

The installed plant is a self contained unit operating on Diesel produced power and has a capacity of 1500 tons per day.

Adequate company owned shipping facilities and oil storage depots are available, on salt water, at Lapierre, for receiving supplies and shipping concentrates. Concentrates are shipped to Japan.

Production to June 1st, 1968 was from 1,713,481 tons of ore grading 1.99% copper. This has returned some 92,137 tons of concentrate containing a recoverable 64,499,422 pounds of copper.

Present monthly production is in the range of 13,000 tons with a recovery of 380,000 pounds of copper.

Direct mining and concentrating costs for the operation in Haiti for the first five months of 1968 were $10.56 per ton mined and concentrated or 29.6 cents per pound of copper recovered. At present, the gold and silver values recovered approximately equal the cost of marketing the copper concentrate.

On June 19, 1968, a flash flood passed over the Plant area of Sedren S.A. doing damage to the mine buildings, engineering offices, crusher house and water supply lines. No damage was suffered in the power house, concentrating plant or general offices. After having been closed down for repairs from June 19th to September 11th, 1968, the damage to the plant has now been repaired. Production resumed on September 11, 1968, and normal production became effective on September 16, 1968.

The above is based upon the report of Albert A. Koffman, B.Sc., P.Eng., the Company's consulting engineer, dated September 21, 1968, which is available for inspection on the public files of the Ontario Securities Commission.

14. Give brief particulars of the exploration and development work of the issuer during the past year and the results thereof.

Underground exploration and development diamond drilling amounted to 11,332 feet and was confined to extending ore reserves and outlining stoping areas. Underground development headings amounted to 6,357 feet and were limited to opening up stoping areas. An advance of 259 feet was made in the No. 3 inclined exploration shaft in the East-Mine area.

15. Give brief particulars of property proposed to be acquired by the issuer or any affiliate or acquired by the issuer or any affiliate within the previous three years, including the name and address of the vendor and the cost or proposed cost thereof to the issuer or any affiliate, and if any such vendor is or was an insider or promoter of the issuer or any associate, so state and indicate the nature of the relationship.

The Company does not, at the present time, intend to acquire any further properties or to examine any mining properties other than those now owned and referred to in Item 17.

16. State the name of any person or company, who is or has been a promoter of the issuer within the preceding two years, and, if not disclosed in Item 15, the nature and amount of anything of value (including money, property, contracts, options or rights of any kind) received or to be received by each promoter.

No person or company is or has been a promoter of the issuer within the preceding two years.

17. If the property referred to in Item 15 was or is to be paid for by the issuance of shares of the issuer or any subsidiary, give (a) the number of shares of the issuer and any subsidiary issued or to be issued to the vendor after giving effect to such transaction, and (b) the number and, if more than 5% of the shares presently outstanding, the precentage of shares of the issuer and any subsidiary owned or to be owned by the vendor after giving effect to the transaction. If the vendor is a company, give the name and address of the insiders of the company.

By agreement dated April 29, 1955 between the Haitian State and Societe d'Exploitation et de Developpement Economique et Naturel d'Haiti S. A. (Sedren), the Company's wholly owned subsidiary, Sedren was granted the right to exploit for a period of 25 years certain properties located in the Terre Neuve area of Haiti.

Under an agreement with the Haitian State dated July 23, 1962 and acquired in 1963 by Compagnie Nationale d'Exploration S.A., (CNESA) the Company's (97%) subsidiary in Haiti, CNESA exercised its rights in 1966 and 1968 and was granted the right to explore 500 square kilometers in the north-central area of Haiti. The cost to the Company was a 3 per cent interest in CNESA and an annual rental of $10,000 per year.

18. Give the number, and if more than 5%, the percentage of the shares of the issuer held in escrow or in pool and a brief statement of the terms of the escrow or pooling agreement.

No shares of the Company are held in escrow or in pool.

19. Give the number of shares of the issuer owned of record or beneficially, directly or indirectly, by each person or company who owns of record, or is known either by the issuer or the selling shareholder to own beneficially, directly or indirectly, more than 5% of such shares, in each case within ten days hereof. Show separately whether the shares are owned both of record and beneficially, of record only, or beneficially only, and show the respective amounts in percentages owned in each such manner.

The following persons and companies as of July 30, 1968, owned of record or beneficially, directly or indirectly, more than 5% of the issued capital of the Company:

Name and address	Shares owned directly or indirectly	Percentages of issued capital
Guaranty Trust Company of Canada, In Trust, 427 St. James St.W., Montreal.	1,574,285 held in trust for the debentureholders (See Item 24)	10.5%
Dreyfus & Co., 2 Broadway, New York, N. Y.	736,450	5.2%

396A

The shareholdings, directly or indirectly, of the officers and directors of the Company are as follows:

Georges Bausan, Fils	-	1	shares
Murray Cooper	-	1	shares
Adolph H. Graetz	-	1	shares
Frederick B. Grosselfinger	-	101,501	shares
Thomas J. Kennedy	-	1	shares
Marryle S. Rukeyser	-	1	shares
J. M. Wainberg, Q. C.	-	1	shares
Stanley R. Jacobson	-	0	shares

20. Give a brief statement of any material legal proceedings which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Make a similar statement as to any such proceedings known to be contemplated.

The vendor of the concession to CNESA, the Company's (97%) subsidiary in Haiti in 1966 instituted an action against the Company to rescind the vending agreement. The Company does not consider the vendor's claim valid and no liability therefrom is anticipated. The Company proposes to apply to the court for an order to dismiss the action. The concession in question has expired, but before the expiration CNESA exercised its right to select 20 parcels of land out of the area covered by the concession, referred to in Item 17.

There are no other legal proceedings to which the Company is a party or of which any of its properties is the subject and no such proceedings are known to be contemplated.

21. Give the aggregate direct remuneration, including amounts for services rendered, paid or payable by the issuer and its subsidiaries during the past year to the insiders of the issuer.

During the past financial year the aggregate direct remuneration to insiders was $31,372.00.

22. Give brief particulars of all options to purchase securities (other than such as are granted or proposed to be granted to shareholders as such on a pro rata basis) outstanding or proposed to be given by the issuer and its subsidiaries to any person or company, naming each such person or company and showing separately all such options outstanding or proposed to be given to the insiders of the issuer or its subsidiaries.

The only outstanding option to purchase shares of the Company is set out in Item 24.

23. State the price at which shares of the issuer have been issued for cash during the past year. If any shares have been issued for services state the nature and value of the services and give the name and address of the person or company who received such shares. State the number of shares issued at each price.

During the past year no shares of the Company were issued for cash or for services. 2,083,385 shares were issued for past debts and settlements as set out in Item 24.

24. Give the dates of and parties to and the general nature of every material contract entered into by the issuer or any subsidiary within the preceding two years which is still in effect and is not disclosed in the foregoing.

The only material contracts entered into by the Company and now extant are:

(a) A first mortgage obligation on the Company's mining properties in Haiti to Continental Copper & Steel Industries, Inc. to secure a loan of $1,500,000 (U.S.) of which the principal sum of $250,000 (U.S.) is now past due and payable, together with the accrued and unpaid interest thereon to March 31, 1968 of $76,343.96 (U.S.)(aggregating $326,343.96) has been extended and is now payable in instalments of $50,000 on the 1st days of January and July beginning on the 1st day of January, 1969, and the balance on the 1st day of July, 1971, such payments to be applied firstly on account of interest at the rate of 6 per cent per annum and the balance on account of principal, with the privilege of repaying any amount at any time without notice or bonus.

(b) An agreement between the Company (and Sedren) and Continental Copper & Steel Industries, Inc. dated the 10th day of April, 1968, whereby the Company assumed and agreed to be bound by an agreement between Continental Copper & Steel Industries, Inc. and Nippon Mining Company, Ltd., of Tokyo, Japan for the exclusive sale of copper concentrates for the calendar year 1968.

(c) Agreements dated as of the 15th day of March, 1968 and amended by agreements dated the 8th day of May, 1968 and approved by the shareholders on May 13, 1968, between the Company, Continental Copper & Steel Industries, Inc., Mogul Mines Limited, K. & G. Holdings Limited, National Outlook Corporation, Maurice Goodman, Lester Osterman, J. K. Ohrbach, L. Danenberg and David Berdon, whereby the Company issued the following shares:

150,000 shares to Continental Copper & Steel Industries, Inc., Maurice Goodman, Lester Osterman, J. K. Ohrbach, L. Danenberg and David Berdon in consideration of providing guarantees which enabled the Company to borrow $300,000 (U. S.) from a New York bank for a period of two years;

359,100 shares to Continental Copper & Steel Industries, Inc. in full payment and satisfaction of $323,868 (U.S.) for liquidated damages for cancellation of the copper purchase and concentrates agreements;

1,574,285 shares to Mogul Mines Limited, K. & G. Holdings Limited and National Outlook Corporation for the cancellation of $2,907,000 of 6½% Sinking Fund Debentures and interest thereon aggregating $3,577,920.43;

and gave an option to Continental Copper & Steel Industries, Inc. good until May 1, 1970 to convert at the price of $1.25 (Canadian) all or any part of the unpaid portion of $109,836 (U.S.) owing by the Company to Continental, which sum is repayable in instalments of $10,000 each on the 1st days of January, April, July and October beginning on the 1st day of January, 1969 and the balance on or before the 1st day of July, 1970.

The said agreement dated as of the 15th day of March, 1968, amended by an agreement dated the 8th day of May, 1968, between the Company, Mogul Mines Limited, K. & G. Holdings Limited and National Outlook Corporation provides that the cancellation of 6½% Sinking Fund Debentures of the Company and interest thereon in consideration of the issue of 1,574,285 shares of the Company as referred to above is subject to certain conditions precedent, including a condition to the effect that this statement of material facts shall have been filed with the Ontario Securities Commission and the Toronto Stock Exchange so as to permit the Selling Shareholders referred to in Item 2 to obtain the exemption provided for in Section 58(2)(b) of The Securities Act, 1966 (Ontario) in respect of the shares of the Company to be offered to the public as referred to in said Item 2.

25. Give particulars of any other material facts relating to the shares proposed to be offered and not disclosed pursuant to the foregoing items.

There are no other material facts not disclosed in the foregoing.

PURCHASERS RIGHT OF WITHDRAWAL AND RESCISSION

Sections 63 and 64 of The Securities Act, 1966 (Ontario) contain certain provisions enabling a purchaser of securities offered in the course of primary distribution to rescind the contract of purchase.

An agreement of purchase and sale covering any of the shares hereby offered is not binding upon the purchaser if the Company, from whom the purchaser buys same, receives written or telegraphic notice evidencing the intention of the purchaser not to be bound by the agreement, not later than midnight of the second day (exclusive of Saturdays, Sundays and holidays) after receipt of the statement of material facts; provided that the purchaser had not sold or transferred the said shares prior to the expiration of the said two day period.

Receipt of the statement of material facts by a party who is or thereafter becomes the agent of the purchaser and receipt of the said notice by the agent of the vendor shall be receipt by the purchaser and the vendor, respectively.

A purchaser of any of the shares hereby offered has a right to rescind his contract to purchase while he is still the owner of the said shares if the statement of material facts of the Company received by such purchaser, as of the date of receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading; provided, however, that such right of rescission will not apply (a) if the untruth or fact of omission was unknown to the Company and to the underwriter and could not have been known in the exercise of reasonable diligence; or (b) if the purchaser knew the untruth of the statement or knew of the omission at the time of purchase.

Receipt of a statement of material facts by a party who is acting as agent or who thereafter commences to act as agent of the purchaser shall be receipt by the purchaser. No action shall be commenced after the expiration of the ninety days from the last to occur of the receipt of the statement of material facts or the date of the contract.

AUDITORS' REPORT

To the Directors of
Consolidated Halliwell Limited (No Personal Liability)

We have examined the consolidated statements of income, deficit, deferred exploration, development and administrative expenditures and source and application of funds of Consolidated Halliwell Limited and its consolidated subsidiary for the three years ended December 31, 1967 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the companies, these financial statements are properly drawn up, except for the probable inadequacy of provision for amortization and depreciation indicated in note 4, so as to exhibit a true and correct view of the results of their operations and the source and application of their funds for the three years ended December 31, 1967 in accordance with generally accepted accounting principles applied on a consistent basis throughout the period.

Thorne, Gunn, Helliwell & Christenson

Toronto, Canada
April 8, 1968

THORNE, GUNN, HELLIWELL & CHRISTENSON
Chartered Accountants

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)
Incorporated under the laws of Quebec
and its consolidated subsidiary

CONSOLIDATED BALANCE SHEET AND PRO-FORMA BALANCE SHEET
(unaudited)

JUNE 30, 1968

ASSETS			Balance Sheet	Pro-forma Balance Sheet
CURRENT ASSETS				
Cash			$ 152,982	$ 152,982
Short term deposit			215,000	215,000
Accounts receivable			33,986	33,986
Concentrates on hand and shipments in process of settlement, at estimated net realizable value less payments received in advance of settlements			197,650	197,650
Mine and mill operating supplies, at cost			237,452	237,452
Prepaid expenses			39,981	39,981
			877,051	877,051
MAJOR REPLACEMENT PARTS AND SLOW MOVING ITEMS, at cost less amounts written off			100,537	100,537
INVESTMENTS				
Shares of other mining companies, at nominal value (no market value)			1	1
Shares in and advances to C.N.E.S.A. (note 2)			40,683	40,683
			40,684	40,684
FIXED ASSETS (notes 3 and 4)				
	Cost	Accumulated Depreciation		
Mining lands and concession	$ 45,734	$ 28,293	17,441	17,441
Roads	225,158	142,156	83,002	83,002
Buildings, machinery and equipment	4,538,904	2,770,883	1,768,021	1,768,021
	$4,809,796	$2,941,332	1,868,464	1,868,464
DEFERRED CHARGES, amortized value				
Deferred exploration, development and administrative expenditures (note 4)			2,130,832	2,130,832
Discount on sinking fund debentures			13,209	
Premium on deferred debenture interest			3,903	
Repairs of flood damage			30,087	30,087
			2,178,031	2,160,919
EXCESS OF COST OF SHARES IN SUBSIDIARY over book value at date of acquisition, amortized value (note 2)			308,347	308,347
			$5,373,114	$5,356,002

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)
Incorporated under the laws of Quebec
and its consolidated subsidiary

CONSOLIDATED BALANCE SHEET AND PRO-FORMA BALANCE SHEET
(unaudited)

JUNE 30, 1968

	Balance Sheet	Pro-forma Balance Sheet
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 564,684	$ 564,684
Instalments on non-current liabilities, due within one year	129,350	129,350
	694,034	694,034
NON-CURRENT LIABILITIES (note 5)		
Bank loan, guaranteed (U.S. $300,000)	322,500	322,500
6½% Sinking fund debentures, with accrued interest thereon	3,577,920	
6% Mortgage payable, with accrued interest thereon	330,081	330,081
Discount payable on copper sales	109,836	109,836
	4,340,337	762,417
Less instalments due within one year	123,750	123,750
	4,216,587	638,667
Total liabilities	4,910,621	1,332,701
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (notes 5 and 6)		
Authorized - 17,000,000 shares par value $1 each		
Issued - 12,445,774 (pro-forma 14,020,059)	12,445,774	14,020,059
Deduct discount thereon	5,641,032	6,270,746
	6,804,742	7,749,313
CONTRIBUTED SURPLUS	(305,460)	2,310,777
	6,499,282	10,060,090
DEFICIT	6,036,789	6,036,789
	462,493	4,023,301
	$5,373,114	$5,356,002

Approved by the Board

Director

Director

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)
and its consolidated subsidiary

CONSOLIDATED STATEMENT OF INCOME

	Six months ended June 30, 1968 (unaudited)	Year ended December 31, 1967	1966	1965
Production of concentrates, at net realizable value under sales contract	$900,185	$1,770,250	$2,798,355	$2,910,461
Operating expenses	891,656	1,982,153	2,321,472	2,153,887
Profit (loss) on operations	8,529	(211,903)	476,883	756,574
Other expenses				
Debenture interest	50,928	195,152	196,693	213,646
Interest on mortgage	7,477	15,000	22,398	37,397
Interest on bank loan	655			
Other interest and administrative expenses	56,973	65,958	100,650	96,503
Directors' fees		1,612	4,985	2,795
Outside exploration			3,625	
	116,033	277,722	328,351	350,341
Less				
Profit (loss) on foreign exchange	(21,692)	14,887	9,487	41,892
Other income (note 9)	3,495	1,532	127,868	3,085
	(18,197)	16,419	137,355	44,977
	134,230	261,303	190,996	305,364
Income (loss) before undernoted items	(125,701)	(473,206)	285,887	451,210
Amortization				
Debenture discount	2,503	10,008	11,336	13,906
Deferred exploration, development and administrative expenditures	236,526	581,270	679,243	823,307
Excess of cost of shares in subsidiary over book value at date of acquisition	102,809	205,579	205,579	
Depreciation	147,054	404,868	558,805	756,888
	488,892	1,201,725	1,454,963	1,594,101
Loss for the period	$614,593	$1,674,931	$1,169,076	$1,142,891

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)
and its consolidated subsidiary

CONSOLIDATED STATEMENT OF DEFICIT

	Six months ended June 30, 1968 (Unaudited)	Year ended December 31, 1967	1966	1965
Deficit at beginning of period	$5,422,196	$3,747,265	$2,578,189	$1,289,949
Loss for the period	614,593	1,674,931	1,169,076	1,142,891
Adjustment of depreciation for 1964 (note 4)				145,349
Deficit at end of period	$6,036,789	$5,422,196	$3,747,265	$2,578,189

CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES

	Six months ended June 30, 1968 (unaudited)	Year ended December 31, 1967	1966	1965
Balance at beginning of period	$2,325,078	$2,716,971	$3,293,228	$3,951,210
Exploration expenditures incurred during period	42,280	189,377	102,986	165,325
	2,367,358	2,906,348	3,396,214	4,116,535
Deduct amortization for period	236,526	581,270	679,243	823,307
Balance at end of period	$2,130,832	$2,325,078	$2,716,971	$3,293,228

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)
and its consolidated subsidiary

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	Six months ended June 30, 1968 (unaudited)	Year ended December 31, 1967	1966	1965
Source of funds				
Operations				
Items not involving a current outlay of funds				
Amortization and depreciation			$1,454,963	$1,594,101
Debenture interest, deferred			146,006	148,111
Mortgage interest, deferred				17,329
Amortization of premium on deferred debenture interest			2,342	2,342
			1,603,311	1,761,883
Deduct loss for the year			1,169,076	1,142,891
			434,235	618,992
Bank loan	$322,500			
Issue of shares of capital stock			10,000	10,000
Proceeds from sale of investments				297,714
Decrease in major replacement parts and slow moving items	12,458	$ 31,886		
Items transferred from current liabilities				
Mortgage principal and accrued interest		322,604		
Discount on copper sales		109,836		
Accrued interest on sinking fund debentures		4,845		
	334,958	469,171	444,235	926,706
Application of funds				
Operations				
Loss for the period	614,593	1,674,931		
Deduct items not involving a current outlay of funds				
Amortization and depreciation	488,892	1,201,725		
Debenture interest, deferred	50,343	192,810		
Mortgage interest, deferred	7,477			
Amortization of premium on deferred debenture interest	585	2,342		
	547,297	1,396,877		
	67,296	278,054		
Additions to fixed assets	2,703	19,601	76,696	23,651
Exploration and development expenditures	42,280	189,377	102,986	165,325
Increase in advances to C.N.E.S.A.	104	3,178	23,764	6,617
Major replacement parts and slow moving items, transferred from current assets			144,881	
Redemption of sinking fund debentures			150,000	330,000
Transferred to current liabilities				
Current portion of non-current liabilities	123,750		290,137	250,000
Account payable				11,571
Repairs of flood damage	30,087			
	266,220	490,210	788,464	787,164
Increase (decrease) in working capital	68,738	(21,039)	(344,229)	139,542
Working capital at beginning of period	114,279	135,318	479,547	340,005
Working capital at end of period	$183,017	$ 114,279	$ 135,318	$ 479,547

as yet available below this horizon.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)
and its consolidated subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AND PRO FORMA BALANCE SHEET
(Information for the six months ended June 30, 1968 unaudited)

1. PRO FORMA TRANSACTION

The unaudited pro forma balance sheet gives effect to the settlement of debentures for 1,574,285 shares of capital stock, subject to acceptance for filing a statement of material facts with the regulatory authorities. (See note 5).

2. BASIS OF CONSOLIDATION

The accounts of the company's wholly-owned subsidiary, Societe d'Exploitation et de Developpement Economique et Naturel D'Haiti (Sedren), S.A. (incorporated under the laws of the Republic of Haiti), have been consolidated herein.

The cost of the company's investment in Sedren exceeds the value of the shares issued, according to the books of the subsidiary, by $822,315. As at January 1, 1966 the company commenced amortization of the excess at a rate of 25% per annum on a straight line basis.

The accounts of Sedren are maintained in U.S. dollars. Current assets and liabilities and major replacement parts and slow moving items of the subsidiary have been converted into Canadian funds at the prevailing rate of exchange at the balance sheet date; all other assets and liabilities have been translated at par.

The company holds a 97% interest in Compagnie Nationale d'Exploration S.A., (C.N.E.S.A.) a company incorporated under the laws of the Republic of Haiti. The accounts of this subsidiary which holds a mining concession in Northern Haiti have not been consolidated since the company is in the exploratory stage.

The vendor of the concession, who retains a 3% interest therein, has taken legal action to have the vending agreement rescinded. The company does not consider the vendor's claim valid and does not anticipate that any liability will arise therefrom.

3. MINING CONCESSION

By agreement dated April 29, 1955, the Government of the Republic of Haiti granted to Sedren the right to exploit for a period of twenty-five years, renewable under certain conditions for an additional twenty-five years, certain copper-bearing properties located in the Terre Neuve Area of Haiti. The agreement provides for the payment of a royalty to the Government of 6% of net smelter returns, and of an annual tax.

4. AMORTIZATION AND DEPRECIATION POLICY

The company commenced amortization of deferred exploration, development and administrative expenditures from January 1, 1964 after the expiration of the first three years of commercial operations during which period it was exempt from Haitian income taxes. The company provides for amortization and depreciation on a declining balance basis at 20% per annum on deferred exploration, development and administrative expenditures and at rates varying from 5% to 33% on fixed assets. Amortization and depreciation for 1964 have been revised by adjustment to deficit in 1965, to reflect the bases of calculation used in 1965 and subsequent years.

Indicated ore reserves at June 1, 1968 will be exhausted by December 31, 1970 at projected rates of production if no further ore reserves are established. If the mine were to cease operations on that date, the unamortized and undepreciated value of assets remaining at that date would be approximately $2,600,000.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)
and its consolidated subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AND PRO FORMA BALANCE SHEET (Cont'd)
(Information for the six months ended June 30, 1968 unaudited)

4. AMORTIZATION AND DEPRECIATION POLICY (Continued)

If amortization and depreciation had been recorded by the company on a straight line basis over the presently indicated life of the mine, amortization and depreciation would have been $1,242,744 greater than the amounts recorded on the books of the company. Differences by accounting periods are:

	Additional amortization and depreciation	Loss for period if company had used straight line basis
Years ended December 31, 1961 to 1964	$1,756,962	
Year ended December 31, 1965	(580,753)	562,138
Year ended December 31, 1966	(202,684)	966,392
Year ended December 31, 1967	101,488	1,776,419
Six months ended June 30, 1968	167,731	782,324
	(514,218)	
	$1,242,744	

For the period from July 1, 1968 to December 31, 1970 amortization and depreciation on the straight-line basis would be approximately $1,360,000 greater than that provided on the present basis.

5. REORGANIZATION OF COMPANY

By agreements dated March 15, 1968, as amended, the company, the debenture-holders, Continental Copper & Steel Industries, Inc. and certain shareholders agreed to a reorganization of the company's affairs as set out following and subject to:

1. approval of the shareholders of the company (received May 13, 1968)
2. issuance of supplementary letters patent increasing the authorized capital of the company from $12,000,000 to $17,000,000 divided into shares of par value $1 each (issued May 13, 1968)
3. acceptance for filing by the Toronto Stock Exchange of a filing statement reflecting the agreements (accepted April 17, 1968)
4. filing of a statement of material facts with the regulatory authorities

TERMINATION OF COPPER PURCHASE AGREEMENTS

Continental agreed to terminate March 31, 1968 various agreements by which the company, together with Sedren, contracted to sell to Continental 80,000,000 pounds of copper. The company issued to Continental 359,100 shares of its capital stock in full settlement of the liquidated damages of U.S. $323,868 being equal to the discounts to which Continental would have become entitled in respect of the undelivered 16,193,406 pounds of the 80,000,000 pounds required to be delivered under the copper purchase agreements.

SETTLEMENT OF DISCOUNT DUE CONTINENTAL

Continental has agreed to defer the discount on copper purchased due them at March 31, 1968 of U.S. $109,836. This amount is payable in quarterly instalments of U.S. $10,000 commencing January 1, 1969 and the balance on or before July 1, 1970. Continental may convert on or before May 1, 1970 all or any part of the unpaid portion into shares of Halliwell at a price of Cdn. $1.25 per share.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)
and its consolidated subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AND PRO FORMA BALANCE SHEET (Cont'd)
(Information for the six months ended June 30, 1968 unaudited)

5. REORGANIZATION OF COMPANY (Continued)

DEFERMENT OF MORTGAGE OBLIGATION

Continental has agreed to defer payment of the 6% mortgage due June 29, 1967 in the principal amount of U.S. $250,000 and interest accrued and unpaid thereon at March 31, 1968 of U.S. $76,344.

The balance is payable with interest at 6% in semi-annual instalments of U.S. $50,000 commencing January 1, 1969 and the balance on or before July 1, 1971 with payments applied firstly on account of interest.

ADDITIONAL WORKING CAPITAL

Continental and certain shareholders have provided the company with new working capital by guaranteeing a bank loan of Halliwell for U.S. $300,000. In consideration therefor, Halliwell issued to the guarantors 150,000 shares of its capital stock.

SETTLEMENT OF DEBENTURES

As at March 31, 1968 the company is in default on the $2,907,000 principal amount of debentures outstanding and accrued interest thereon at that date of $670,920 aggregating $3,577,920. The debentureholders have agreed to accept 1,574,285 shares of Halliwell in full settlement of the debentures and accrued interest thereon at March 31, 1968 subject to acceptance for filing a statement of material facts with the regulatory bodies. No interest has been accrued for the 3 months ended June 30, 1968.

6. CAPITAL STOCK

During the period from January 1, 1965, the company has issued 50,000 shares of capital stock for $20,000 to employees under incentive option agreements.

7. CONTINGENT LIABILITY

Sedren is contingently liable for severance allowances which under Haitian law are payable to any employee discharged after three months or more of service. No provision has been made by the company for possible severance payments. The company follows the policy of meeting these obligations as they materialize, charging such payments to expense when made.

8. OTHER INFORMATION

Direct remuneration of directors and senior officers (as defined by The Corporations Act, Ontario) amounted to $31,372 for 1967 and $15,180 for the six months ended June 30, 1968.

9. OTHER INCOME

Other income in 1966 includes $117,000 relating to an insurance claim in connection with a flash flood and fire.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this statement of material facts.

Dated this 28th day of September, 1968.

Chief executive officer _____
President

Chief financial officer _____
Secretary-Treasurer

On behalf of the board of directors:

_____
Director

_____
Director

Selling Shareholders:

To the best of our knowledge, information and belief, the foregoing constitues full, true and plain disclosure of all material facts relating to the securities offered by this statement of material facts.

MOGUL MINES LIMITED

Per _____
President

_____ c/s
Secretary

K. & G. HOLDINGS LIMITED

Per _____
President

_____ c/s
Secretary

410A

AMERICAN ARBITRATION ASSOCIATION, Administrator

"DEFENDANT'S EXHIBIT S IN EVIDENCE"

Commercial Arbitration Rules

DX 123 For I.D. 10/21/71 W.L.

411A

DEMAND FOR ARBITRATION

DATE: January 30, 1969

TO: (Name) CONTINENTAL COPPER & STEEL INDUSTRIES, INC.
(of party upon whom the Demand is made)

(Address) 100 East 42nd Street

(City and State) New York, N.Y. 10017

PLEASE TAKE NOTICE, under Section 7503, Subdivision (c), of the Civil Practice Law and Rules of the State of New York, that the undersigned, pursuant to the provisions of a contract dated: July 1, 1964, as extended and amended on January 1, 1967 which agreement provides as follows: (Quote Arbitration Clause)

Any controversy or claim arising out of or relating to this contract or the breach thereof shall be settled by arbitration in New York City in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered may be entered into the Supreme Court of New York or any other court with jurisdiction.

hereby demands arbitration thereunder.

NATURE OF DISPUTE:

See Attached

CLAIM OR RELIEF SOUGHT: (amount, if any)

See Attached

PLEASE TAKE FURTHER NOTICE, that unless within ten days after service of this Notice of Intention to Arbitrate, you apply to stay the arbitration herein, you shall thereafter be precluded from objecting that a valid agreement was not made or has not been complied with and from asserting in court the bar of a limitation of time.

HEARING LOCALE REQUESTED: (City and State) New York, N.Y.

You are hereby notified that copies of our Arbitration Agreement and of this Demand are being filed with the American Arbitration Association at its New York Regional Office, with the request that it commence the administration of the arbitration.

Signed [signature]
(May be Signed by Attorney)
Abraham M. Lowenthal, as attorney for

(Name and address of the party serving the notice, or of an officer or agent thereof if such party is an association or corporation)

La Societe d'Exploitation et de Development
Economique et Natural d'Haiti (Sedren) S.A.
c/o National Outlook Corporation
100 East 42nd Street
New York, N.Y. 10017

Two copies of this Demand and the Arbitration Agreement must be filed, and the administrative fee paid, as provided in Section 47 of the Rules, in order to institute proceedings.

337

EXHIBIT 1

NATURE OF DISPUTE:

Pursuant to the Agreement referred to above, by and among Consolidated Halliwell Limited, a corporation having its head office in the City of Montreal in the Province of Quebec (hereinafter the "Guarantor") and La Societe d'Exploitation et de Developpement Economique et Natural d'Haiti (Sedren) S.A., a corporation incorporated under the laws of the Republic of Haiti (hereinafter the "Seller") and Continental Copper & Steel Industries, Inc., a corporation incorporated under the laws of Delaware (hereinafter the "Buyer"), the Seller agreed to sell to the Buyer certain copper concentrates derived from a mine owned by Seller and located in Haiti.

The Agreement provided, inter alia, that the base price of the concentrates to be paid by the Buyer was to be calculated as the average of the following items during the month of shipment:

(a) the daily net export refinery quotation for electrolytic copper as published in Metals Week incorporating the Engineering and Mining Journal Metal and Mineral Markets (Metals Week);

(b) the daily net domestic refining quotation for electrolytic copper as published in Metals Week;

(c) the London Metal Exchange Cash Settlement price for electrolytic wire bar; and

(d) U.S. prime producers' price as published in the Wall Street Journal.

Prior to September, 1967, the major copper mines in the United States were struck by their mining employees and such strike continued until some time after February, 1968. By virtue of the said strike, production of copper in the United States was effectively halted, all of which was not within the contemplation of the parties at the time that the Agreement aforesaid was entered into.

By virtue of the said strike, certain of the elements of the average as set forth above were not quoted as required by the Agreement, or if quoted, were not related to the conditions existing at the time of quotation but related to a time prior to the commencement of the said strike.

During the course of the said strike and the disorientation of the industry resulting therefrom, the Seller made three shipments of concentrates to the Buyer in September, 1967, November, 1967 and February, 1968. The Buyer, in arriving at the price for such shipments and in making payment therefor, employed elements to construct an average which were not in accordance with the Agreement or not within the contemplation of parties at the time of the making of the Agreement.

The Seller objected to the method of computing the average thus employed by the Buyer, and the issue in this arbitration is

the proper and appropriate method of computing the price for the three shipments mentioned above under and in view of the changed circumstances. When such proper method is determined in this arbitration proceeding, the amount due from the Buyer to the Seller will be ascertainable. Until such determination, the amount owed from the Buyer to the Seller is not known.

ARBITRATION Any controversy or claim arising out of or relating to this contract or the breach thereof shall be settled by arbitration in New York City in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered may be entered into the Supreme Court of New York or any court with jurisdiction.

4154

JURISDICTION — This agreement shall be construed in accordance with and the rights of the parties shall be governed by the laws of the State of New York.

GUARANTEE — Guarantor hereby guarantees the performance by Sedren of its covenants, undertakings and agreements and each of them contained in this agreement, as amended.

IN WITNESS WHEREOF, the parties hereto have by their authorized officers, hereunto set their hands and their corporate seals, as of this 1st day of July, 1964.

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

By _____
Vice Pres. Treas.

SOCIETE d'EXPLOITATION et de DEVELOPPMENT ECONOMIQUE et NATUREL d'HAITI (Sedren)

By _____
Director

CONSOLIDATED HALLIWELL LIMITED, (No Personal Liability)

By _____
Vice-President

BEST COPY AVAILABLE

"DEFENDENTS' EXHIBIT T IN EVIDENCE"

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

- X

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.,

Petitioner,

-against-

LA SOCIETE D'EXPLOITATION ET DE DEVELOPMENT ECONOMIQUE ET NATUREL D'HAITI (SEDREN) S.A.,

Respondent.

- X

Index No. C-2167- 1969

NOTICE OF PETITION TO STAY ARBITRATION

Oct 23, 1969

S I R S:

PLEASE TAKE NOTICE that upon the annexed petition of Continental Copper & Steel Industries, Inc., by Thomas J. Kennedy, Vice-President, duly verified on February 10, 1969, and the exhibits annexed thereto, and the respondent's demand for arbitration and notice of intention to arbitrate, both dated January 30, 1969, and upon all of the papers and proceedings had herein, the undersigned will move this Court at a Special Term, Part I thereof, to be held at the New York County Courthouse, 60 Centre Street, Borough of Manhattan, City, County and State of New York, on the 24th day of February, 1969, at 9:30 o'clock in the forenoon thereof or as soon thereafter as counsel can be heard, for an order pursuant to CPLR 7503(b) and (c), staying the attempted arbitration sought in the said demand for arbitration and notice of intention to arbitrate on the ground that the agreement of arbitration contained in the agreement between the parties dated July 1, 1964, as amended January 1, 1967, and as further amended by a settlement agreement

between the parties as of March 15, 1968, as further amended by an agreement of May 8, 1968, has not been complied with and is not in full force or effect and that there is no bona fide dispute between the parties; and for an order granting such other, further and different relief as may be just and proper in the premises.

PLEASE TAKE FURTHER NOTICE that pursuant to CPLR 403(b) and 2214(b), demand is hereby made that the answer to the petition, answering affidavits, and all other papers to be used in opposition to this petition shall be served at least five days before the time at which the petition is noticed to be heard.

Dated: New York, New York
February 10, 1969

Yours, etc.

GORDON, BRADY, KELLER & BALLEN
Attorneys for Petitioner
Office and P.O. Address
100 East 42nd Street
New York, New York 10017
Tel: (212) 867-2500

To:
LA SOCIETE D'EXPLOITATION ET DE
DEVELOPMENT ECONOMIQUE ET
NATUREL D'HAITI (SEDREN) S.A.,
Respondent,
c/o National Outlook Corporation
100 East 42nd Street
New York, New York 10017

LOWENTHAL LANDAU FISCHER & WEISINGER
Attorneys for Respondent
250 Park Avenue
New York, New York 10017

STATE OF NEW YORK, COUNTY OF NEW YORK } SS.
I, NORMAN GOODMAN, COUNTY CLERK AND CLERK OF THE SUPREME COURT, NEW YORK COUNTY
DO HEREBY CERTIFY THAT I HAVE COMPARED THE COPY WITH THE ORIGINAL
FILED IN MY OFFICE ON Nov 10, 1969 AND THE SAME IS A
CORRECT TRANSCRIPT THEREOF AND OF SUCH ORIGINAL.
IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED MY OFFICIAL SEAL.
SEP 16 1975
COUNTY CLERK AND CLERK OF THE SUPREME COURT, NEW YORK COUNTY.
FEE PAID $4.00 PAGE FEE $ IMPOSED AND PAID PURSUANT TO SEC. 882, COUNTY LAW.

No. 031733

417A

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

Petitioner,

-against-

LA SOCIETE D'EXPLOITATION ET DE DEVELOPMENT ECONOMIQUE ET NATUREL D'HAITI (SEDREN) S.A.,

Respondent.

Index No. 02160-1969

PETITION

TO THE HONORABLE JUSTICES OF THE SUPREME COURT OF THE STATE OF NEW YORK, COUNTY OF NEW YORK:

The petitioner, by Gordon, Brady, Keller & Ballen, its attorneys, complaining of the respondent, alleges:

1. The petitioner is a Delaware corporation, qualified to do business in the State of New York, and has its principal executive offices at 100 East 42nd Street, Borough of Manhattan, City, County and State of New York. The undersigned is a vice-president thereof and is fully familiar with the facts herein.

2. Venue in this proceeding lies in the County of New York pursuant to CPLR 7502(a).

3. On or about January 30, 1969, the respondent served by mail upon the petitioner a demand for arbitration and a notice of intention to arbitrate, both dated January 30, 1969, copies of which are hereto annexed. (Exhibit 1).

4. The said demand for arbitration and notice

of intention to arbitrate should be vacated. The arbitration therein sought should be stayed, pursuant to CPLR 7503(b) and (c) on the grounds that the agreement to arbitrate contained in the agreement between the parties dated July 1, 1964, as amended on January 1, 1967, was terminated and cancelled by a settlement agreement between the parties dated March 15, 1968, (Exhibit 2), as amended by an agreement dated May 8, 1968, (Exhibit 3)and that the said arbitration agreement contained in the cancelled agreement has not been complied with and is not in force or effect, and no bona fide dispute exists between the parties.

5. The said demand and notice of intention to arbitrate expressly demand arbitration pursuant to the aforesaid cancelled agreements. The quotation from the said agreement as annexed to the demand for arbitration is from a certain "copper concentrates" agreement between the parties which has been cancelled and is no longer in force and effect.

6. In order to apprise the Court of the circumstances of the cancellation of March 15, 1968, it will be helpful to outline the events which preceded the cancellation.

The April 1, 1959 Wire Bar Agreement

7. On April 1, 1959, Consolidated Halliwell Ltd., a Canadian corporation and owner of 100% of the stock of Sedren, the respondent herein, entered into an agreement (Exhibit 4) with Continental to supply Continental with 80 million pounds of electrolytic copper in wire bar of certain specifications from ore derived from its mine to Haiti. Inasmuch as at that time and for the period contemplated by the

contract Sedren had not and would not have refining capability, which would have enabled it to supply wire bar, Halliwell and Sedren contemporaneously entered into a contract with Phillips Bros. pursuant to which Phillips Bros. agreed to purchase copper concentrate from Sedren and supply electrolytic wire bar to Continental.

8. The costs incident to the conversion of Sedren's concentrate into electrolytic wire bar were extremely high and Sedren was operating unprofitably. Therefore, at the request of Sedren, and at substantial expense to itself, Continental agreed on July 1, 1964 to amend the April 1, 1959 wire bar agreement and to enter into another agreement known as the "copper concentrates agreement".

The 1964 Wire Bar Contract

9. This contract (Exhibit 5) in substance, provided that:

> "as long as Sedren will deliver to Continental copper concentrates pursuant to a certain agreement entered into between Sedren and Continental on July 1, 1964 (a contemporaneous agreement annexed hereto as Exhibit 4), Sedren shall not be required to make any delivery of wire bar pursuant to this agreement. Upon termination of said agreement and provided Continental shall not have received a total of 80,000,000 pounds of wire bar and/or returnable copper produced in concentrates, Sedren shall resume monthly deliveries of wire bar pursuant to this agreement and Continental shall pay for the same pursuant to paragraph 2 as amended herein".

The agreement further provides in paragraph 5 that at December 31, 1966, Continental may at its option under certain circumstances either terminate the agreement

or extend the time for Sedren to complete delivery.

Thus the delivery of wire bar by Sedren to Continental was halted for as long as Sedren delivered copper concentrates in lieu thereof.

The Copper Concentrates Agreement

10. A copy of the said agreement which was made contemporaneously with the July 1, 1964, wire bar amendment is annexed hereto as Exhibit 6. In substance, the agreement called for Sedren to deliver and Continental to purchase copper concentrates for the two and one-half year period commencing July 1, 1964, and ending December 31, 1966, at a price determined by the "daily net copper export refinery quotations for electrolytic copper", as published in the Engineering and Mining Journal Metal and Mineral Markets, averaged over the quotational period, less one cent per pound of copper paid for. This contract expired by its terms on December 31, 1966.

The January 1, 1967 Amendments to the Wire Bar Contract and Copper Concentrates Contract and General Releases Delivered in Connection Therewith

11. As of January 1, 1967, the parties entered into two further agreements. One said agreement (Exhibit 7) further amended the wire bar agreement of April 1, 1969, as previously amended on July 1, 1964.

The other amendment of January 1, 1967, (Exhibit 8) amended the copper concentrates agreement. It provided for a new method of pricing the copper concentrates purchased by Continental, the petitioner, from Sedren, the respondent. It provided in paragraph 2 thereof as follows:

> "2. The paragraphs on pages 3 and 4 of the concentrates agreement headed "Copper", "Silver" and "Gold" under the subheading "Payments" is

hereby changed to read as follows:

"Copper: Deduct from the wet copper assay the number of units deducted by the smelter and pay for 100% of the remaining copper at a price which shall be equal to the average during the quotational period of the following prices:

(a) the daily net export refinery quotation for electrolytic copper as published in Metal Week incorporating the Engineering and Mining Journal Metal and Mineral Markets (Metals Week);
(b) the daily net domestic refining quotation for electrolytic copper as published in Metals Week;
(c) the London Metal Exchange Cash Settlement price for electrolytic wire bar; and
(d) U.S. prime producers' price as published in the Wall Street Journal.

less the amount per pound of copper paid for and deducted by the smelter at point of discharge for each shipment".

The alleged claim of respondent receives it genesis from the suspension by "Metal Week", a trade magazine, of its daily net domestic refinery quotations during the 8½ month nationwide copper strike. On December 26, 1967 petitioner made final payment to respondent for the first copper shipment made (No. 55) during the nationwide copper strike. On the same day, respondent wrote to petitioner (Exhibit 10) requesting information as to how the average of four prices was computed and the basis for such computation. Petitioner, on December 28, 1967 (Exhibit 10a) advised respondent as to the applicable basis in computing payment of copper shipments during the suspension. Petitioner made payments to the respondents for shipments, 55, 56 and 57 on this [illegible] and [illegible] accepted and retained without objection or reservation.

There is annexed hereto and marked Exhibit 9 a schedule showing the monthly quotations for the price of copper concentrates amendment.

Contemporaneously with the January 1, 1967 amendment a general release (Exhibit 9a) was delivered by Sedren to Continental

excluding obligations and indebtedness on the then existing agreements, all of which were terminated by the agreement executed as of March 15, 1968 described in the following paragraph, which agreement also made provision for payment of Sedren's indebtedness to Continental without offset or deductions of any kind.

The Cancellation of Both the Wire Bar Contract and the Copper Concentrates Contract on March 15, 1968

13. By agreement dated March 15, 1968, (Exhibit 2) among Halliwell (the parent of Sedren), Continental, and Maurice Goodman & Associates, (stockholders of Halliwell) which contract was expressly "consented to and adopted by Sedren", all of the foregoing electrolytic wire bar and copper concentrates contracts were cancelled.

14. The situation which existed at that time was as follows:

> A first mortgage obligation of Sedren to Continental had been issued to secure an indebtedness of $1,500,00 (US), on which $250,000 principal amount was due,unpaid and in default;
>
> Accrued interest on said mortgage similarly due, unpaid and in default amounted to $76,343.96 (US
>
> Amounts owing to Continental from Sedren aggregating $109,836 (US)representing discounts payable to Continental by reason of copper concentrates shipments were due and unpaid; and
>
> Sedren required additional financing in order to continue operations and had requested Continenta to furnish a guaranty in order to consummate said financing.

15. That settlement agreement expressly recited in its preamble that it is the purpose of the parties and in the interests of Halliwell and Sedren to terminate all the agreements; to establish the liabilities of Sedren to Continental by way of liquidated damages in the sum of $323,868; to settle the outstanding Sedren indebtedness to Continental for discounts on completed shipments; and to extend the time of payment by Sedren of said liabilities and

obligations. By way of illustration, the following preamble clauses of the settlement agreement are most illuminating:

> "AND WHEREAS it is in the interest of Halliwell and Sedren to have the Copper Purchase Agreement and the Concentrates Agreement terminated in order that Halliwell may on its own behalf market the products of Sedren notwithstanding that upon termination Sedren would become obligated to pay to Continental by way of liquidated damages and not as a penalty the sum of $323,868 which sum is equal to the discounts to which Continental would have become entitled in respect of the undelivered 16,193,406 pounds of the 80,000,000 pounds of copper required to be delivered under the Copper Purchase Agreement;
> *****
>
> "AND WHEREAS Contental has agreed to the termination of the Copper Purchase Agreement and the Concentrates Agreement and to the settlement of the outstanding Sedren indebtedness and has also agreed to provide guarantees sufficient to enable Halliwell to obtain its required additional financing, all upon the terms and subject to the conditions hereinafter set forth
>
> "NOW, THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants hereinafter contained the parties do hereby agree each with the other as follows:

16. A summary of the provisions of the settlement agreement, numbered to conform to the paragraph numbers of the settlement agreement, is as follows:

(1) Continental, the petitioner herein, agreed to provide such guarantees as may be necessary to enable Halliwell or Sedren to borrow $200,000 from a New York bank; Maurice Goodman et al agree to guarantee an additional $100,000 to Halliwell and/or Sedren;

(2) The past-due mortgage obligation of Sedren to Continental in the sum of $250,000 plus interest of $76,343.96, aggregating $326,343.96, was to be paid in installments of $50,000 on the first days of January and July beginning January 1, 1969, with interest at 6%.

(3) Both the wire bar agreement and the copper concentrates agreement were terminated as of

March 31, 1968, "the intention being that with the said shipment all interest of Continental in Sedren's ore or agreement respecting Sedren's ore is terminated";

(4) Halliwell agreed to issue 150,000 shares of its stock to Continental as consideration for providing the bank guarantees referred to in paragraph (1) and an additional 359,100 shares of its stock "in full payment and satisfaction of the liquidated damages of $323,868 payable by Sedren to Continental upon termination of the copper purchase agreement";

(5) Sedren's indebtedness to Continental of $109,836 in settlement of the discounts to which Continental was entitled by reason of prior shipments of copper concentrates was disposed of as follows:

> "Halliwell shall pay to Continental the sum of $109,836 (U.S.) in installments of $10,000 each on the first days of January, April, July and October, beginning on the first day of July 1969 and the balance on or before the first day of July 1970, in full payment and satisfaction of the discount in the said amount which will be outstanding as at March 31, 1968 and which is payable by Sedren to Continental pursuant to the Copper Purchase Agreement provided however that Continental may on or before May 1, 1970 convert all or any part of the unpaid portion of the said sum of $109,836 (U.S.) into fully paid and non-assessable shares of Halliwell of the par value of $1.00 each at the price of $1.25 (Canadian) per share".

(6) The settlement agreement was subject to approval of Halliwell stockholders, the increase of Halliwell's capital shares, the acceptance by the Toronto Stock Exchange of a "filing statement", and the authorization of the Department of Commerce, Washington D.C. of the guarantee by Continental.

All of the terms of the settlement agreement were carried out by the parties. Continental and Maurice Goodman provided the financial guarantees required for Halliwell's borrowing from the banks which it procured on June 19, 1968. Halliwell issued the stock which was required to be issued as consideration for the furnishing of the guarantees, and in consideration of the liquidated damages of $326,343.96 acknowledged by Sedren in paragraphs 2 and 4 of the settlement agreement. Halliwell consented to the payment of the installments due on the $109,836 liability of Sedren for discounts on past shipments by Sedren to Continental. On May 8, 1968 the settlement agreement (Exhibit 3) was amended in certain respects and reaffirmed.

The March 15, 1968 Settlement Agreement Constituted an Account Stated between the Parties and a Cancellation and Release of All Prior Agreements; the Arbitration Clause Contained in the July 1, 1964 Copper Concentrates Agreement did not Survive.

17. The purported dispute which the respondent desires to tender to the arbitrators as to the price of certain shipments of copper concentrates was known to the parties when the settlement agreement was made. As a matter of fact a claim had been asserted by respondent in December 1967 and had been rejected by Continental. Annexed hereto are copies of correspondence relating to that claim, as follows:

Letter dated December 26, 1967 from Sedren to Continental (Exhibit 10);

Letter dated December 28, 1967 from Continental to Sedren (Exhibit 10a);

Letter dated February 7, 1968 from Sedren to Continental (Exhibit 10b);

Continental's reply dated February 14, 1968 (Exhibit 10c);

Letter dated February 26, 1968 from Sedren to Continental (Exhibit 10d);

Continental's reply to Sedren dated March 7, 1968 (Exhibit 10e).

These letters related only to the shipment referred to in the demand for arbitration as the September 1967 shipment. The shipments referred to in the demand for arbitration are three in number and were identified by the parties as shipments numbered 55, 56 and 57. The shipment and settlement dates as to these three shipments were as follows:

Number	Shipment date	Settlement date	Payment date
55	7-11-67	12-20-67	12-26-67
56	9-23-67	1-30-68	2-5-68
57	12-12-67	5-2-68	5-2-68

Respondent never questioned or wrote Continental with respect to shipments 56 and 57 and accepted and retained payments without protest, for all three shipments on the basis of Continental's computations, annexed hereto as Exhibits 11a, 11b, and 11c. Any controversy which could possibly have existed in this respect ceased upon execution of the settlement agreement of March 15, 1968 and the ratifying amendment thereto of May 8, 1968. Respondent's acts and conduct from and after the execution of the settlement agreement irrefutably support this fact. On June 30, 1968 the auditors prepared a consolidated balance sheet for Halliwell, which was approved by two directors of Halliwell. Although the footnotes to the balance sheet (Exhibit 12) set forth the transactions with Continental under the headings "Termination of Copper Purchase Agreements", "Settlement of Discount Due Continental", "Deferment of Mortgage Olibation", "Additional Working Capital" and "Other Income", no disclosure is contained as to any alleged claim against or indebtedness from Continental. After execution of the settlement agreement, the

following steps were taken by Halliwell:

1. approval of the shareholders of the company (received May 13, 1968)
2. issuance of supplementary letters patent increasing the authorized capital of the company from $12,000,000 to $17,000,000 divided into shares of par value $1 each (issued May 13, 1968)
3. acceptance for filing by the Toronto Stock Exchange of a filing statement relecting the agreements (accepted April 17, 1968)
4. filing of a statement of material facts with the regulatory authorities.

In none of these proceedings or statements filed by Halliwell, which purported -and were required by law- to disclose all material facts, was there any reference or disclosure regarding the claim against Continental. It was not until all steps under the agreements had been taken, financial guarantees executed and delivered to the bank, and the loan consummated, was there any intimation on behalf of respondent that the purported claim had survived the settlement agreement. Moreover, Sedren in affirming Continental's certified public accountants in connection with Continental's annual audit for the fiscal year ending June 30, 1968, the existence of the indebtedness to Continental covered in the March 15, 1968 agreement asserted no offsets or counterclaims against said obligation.

18. Continental furnished ample consideration for the extinquishment of the claims now asserted not only by furnishing guarantees to the bank of Halliwell's indebtedness of $200,000, but in waiving Sedren's substantial default extending the time of payment of $323,868 and $109,836, and by accepting shares of Halliwell in lieu of the $323,868.

19. The attempt of Sedren to arbitrate is in effect an attempt to disavow the settlement agreement while retaining all of the benefits which flowed to it and to its parent, Halliwell.

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CONCLUSION

It is respectfully submitted that the within petition to stay arbitration should be granted because: (a) the arbitration agreement under which the respondent has purported to institute its demand has been extinguished by the settlement agreement of March 15, 1968 as ratified on May 8, 1968; (b) that by reason thereof the arbitration agreement has not been complied with by the respondent; (c) the general release previously given by Sedren to Continental Copper & Steel Industries, Inc. became absolute and final with the settlement agreement of March 15, 1968; and (d) there is no dispute between the parties inas much as all matters were resolved by the settlement agreement of March 15, 1968.

WHEREFORE, the petitioner prays for an order pursuant to CPLR 7503(b) and (c) staying the arbitration sought by the respondent's demand for arbitration and notice of intention to arbitrate dated January 30, 1969 and vacating the said demand and notice, and granting such other, further and different relief as may be just and proper in the premises, together with the costs and disbursements of this proceeding.

Dated: New York, New York
February 10, 1969

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

By _____
Thomas J. Kennedy
Vice-President

430A

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

THOMAS J. KENNEDY, being duly sworn, deposes and says that he is vice-president of the petitioner in the foregoing proceedings; that he has read the foregoing petition and knows the contents thereof; that the same is true to his knowledge except as to matters therein stated to be alleged upon information and belief, and that as to those matters, he believes it to be true. The reason why this verification is made by the deponent and not by the petitioner is that the petitioner is a corporation and the deponent is an officer thereof, to wit, its vice-president.

Thomas J. Kennedy, vice-president

Sworn to before me this
10th day of February, 1969.

FEE PAID $400 FACSIMILE PURSUANT TO SEC. 885 COUNTY LAW

DEMAND FOR ARBITRATION

DATE: January 30, 1969

TO: (Name) CONTINENTAL COPPER & STEEL INDUSTRIES, INC.
(of party upon whom the Demand is made)

(Address) 100 East 42nd Street

(City and State) New York, N.Y. 10017

PLEASE TAKE NOTICE, under Section 7503, Subdivision (c), of the Civil Practice Law and Rules of the State of New York, that the undersigned, pursuant to the provisions of a contract dated: July 1, 1964, as extended and amended on January 1, 1967 which agreement provides as follows: (Quote Arbitration Clause)

Any controversy or claim arising out of or relating to this contract or the breach thereof shall be settled by arbitration in New York City in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered may be entered into the Supreme Court of New York or any other court with jurisdiction.

hereby demands arbitration thereunder.

NATURE OF DISPUTE:

See Attached

CLAIM OR RELIEF SOUGHT: (amount, if any)

3

See Attached

PLEASE TAKE FURTHER NOTICE, that unless within ten days after service of this Notice of Intention to Arbitrate, you apply to stay the arbitration herein, you shall thereafter be precluded from objecting that a valid agreement was not made or has not been complied with and from asserting in court the bar of a limitation of time.

HEARING LOCALE REQUESTED: (City and State) New York, N.Y.

You are hereby notified that copies of our Arbitration Agreement and of this Demand are being filed with the American Arbitration Association at its New York Regional Office, with the request that it commence the administration of the arbitration.

Signed [signature] (May be Signed by Attorney)

Abraham M. Lowenthal, as attorney for La Societe d'Exploitation et de Development Economique et Natural d'Haiti (Sedren) S.A.

(Name and address of the party serving the notice, or of an officer or agent thereof if such party is an association or corporation)

c/o National Outlook Corporation
100 East 42nd Street
New York, N.Y. 10017

Two copies of this Demand and the Arbitration Agreement must be filed, and the administrative fee paid, as provided in Section 47 of the Rules, in order to institute proceedings.

FORM CNY 2-6M-2-66 C-337

431A

EXHIBIT 1

NATURE OF DISPUTE:

Pursuant to the Agreement referred to above, by and among Consolidated Halliwell Limited, a corporation having its head office in the City of Montreal in the Province of Quebec (hereinafter the "Guarantor") and La Societe d'Exploitation et de Developpment Economique et Natural d'Haiti (Sedren) S.A., a corporation incorporated under the laws of the Republic of Haiti (hereinafter the "Seller") and Continental Copper & Steel Industries, Inc., a corporation incorporated under the laws of Delaware (hereinafter the "Buyer"), the Seller agreed to sell to the Buyer certain copper concentrates derived from a mine owned by Seller and located in Haiti.

The Agreement provided, inter alia, that the base price of the concentrates to be paid by the Buyer was to be calculated as the average of the following items during the month of shipment:

(a) the daily net export refinery quotation for electrolytic copper as published in Metals Week incorporating the Engineering and Mining Journal Metal and Mineral Markets (Metals Week);

(b) the daily net domestic refining quotation for electrolytic copper as published in Metals Week;

(c) the London Metal Exchange Cash Settlement price for electrolytic wire bar; and

(d) U.S. prime producers' price as published in the Wall Street Journal.

Prior to September, 1967, the major copper mines in the United States were struck by their mining employees and such strike continued until some time after February, 1968. By virtue of the said strike, production of copper in the United States was effectively halted, all of which was not within the contemplation of the parties at the time that the Agreement aforesaid was entered into.

By virtue of the said strike, certain of the elements of the average as set forth above were not quoted as required by the Agreement, or if quoted, were not related to the conditions existing at the time of quotation but related to a time prior to the commencement of the said strike.

During the course of the said strike and the disorientation of the industry resulting therefrom, the Seller made three shipments of concentrates to the Buyer in September, 1967, November, 1967 and February, 1968. The Buyer, in arriving at the price for such shipments and in making payment therefor, employed elements to construct an average which were not in accordance with the Agreement or not within the contemplation of parties at the time of the making of the Agreement.

The Seller objected to the method of computing the average thus employed by the Buyer, and the issue in this arbitration is

the proper and appropriate method of computing the price for the three shipments mentioned above under and in view of the changed circumstances. When such proper method is determined in this arbitration proceeding, the amount due from the Buyer to the Seller will be ascertainable. Until such determination, the amount owed from the Buyer to the Seller is not known.

ARBITRATION Any controversy or claim arising out of or relating to this contract or the breach thereof shall be settled by arbitration in New York City in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered may be entered into the Supreme Court of New York or any court with jurisdiction.

434A

JURISDICTION — This agreement shall be construed in accordance with and the rights of the parties shall be governed by the laws of the State of New York.

GUARANTEE — Guarantor hereby guarantees the performance by Sedren of its covenants, undertakings and agreements and each of them contained in this agreement, as amended.

IN WITNESS WHEREOF, the parties hereto have by their authorized officers, hereunto set their hands and their corporate seals, as of this 1st day of July, 1964.

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

By _____
Vice-President

SOCIETE d'EXPLOITATION et de DEVELOPPMENT ECONOMIQUE et NATUREL d'HAITI (Sedren)

By Adolph H. Gratz
Director

CONSOLIDATED HALLIWELL LIMITED,
(No Personal Liability)

By Adolph H. Gratz
Vice-President

435A

THIS AGREEMENT dated as of the 15th day of March, 1968

BETWEEN:

CONSOLIDATED HALLIWELL LIMITED (No Personal Liability), a company incorporated under the laws of the Province of Quebec,

(herein called "Halliwell")

OF THE FIRST PART

-and-

CONTINENTAL COPPER & STEEL Industries, Inc., a company incorporated under the laws of the State of Delaware,

(herein called "Continental")

OF THE SECOND PART

-and-

MAURICE GOLDMAN AND ASSOCIATES,

OF THE THIRD PART

WHEREAS by agreement dated April 1, 1959, as amended by agreements dated as of July 1, 1964 and January 1, 1967 (collectively the "Copper Purchase Agreement"), all between Halliwell, Halliwell's wholly-owned Haitian subsidiary La Societe d'Exploitation et de Development Economique et Natural d" Haiti (Sedren) S.A. ("Sedren"), and Continental, Sedren agreed to sell and Continental agreed to purchase the first 80,000,000 pounds of copper metal in wire bar recovered by Sedren from the copper concentrates produced by Sedren from its mine in the Republic of Haiti;

AND WHEREAS by agreement dated as of July 1, 1964 as amended by agreement dated as of January 1, 1967 (collectively the "Concentrates Agreement") both between Continental, Sedren and Halliwell, Sedren agreed to sell and Continental agreed to purchase the total production of copper

EXHIBIT

concentrates produced by Sedren and, it was provided that for such period as Sedren delivered copper concentrates to Continental pursuant to the Concentrates Agreement, Sedren would be excused from the delivery to Continental of wire bar pursuant to the Copper Purchase Agreement;

AND WHEREAS all of the aforesaid agreements and releases issued thereunder are hereby ratified, confirmed and approved in all respects;

AND WHEREAS it is in the interest of Halliwell and Sedren to have the Copper Purchase Agreement and the Concentrates Agreement terminated in order that Halliwell may on its own behalf market the products of Sedren notwithstanding that upon such termination Sedren would become obligated to pay to Continental by way of liquidated damages and not as a penalty the sum of $323,868 which sum is equal to the discounts to which Continental would have become entitled in respect of the undelivered 16,193,406 pounds of the 80,000,000 pounds of copper required to be delivered under the Copper Purchase Agreement;

AND WHEREAS Halliwell requires additional financing in the amount of $300,000 (U.S.) if the mine of Sedren is to continue in operation;

AND WHEREAS Continental has agreed to the termination of the Copper Purchase Agreement and the Concentrates Agreement and to the settlement of the outstanding Sedren indebtedness and has also agreed to provide guarantees sufficient to enable Halliwell to obtain its required additional financing, all upon the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants hereinafter contained,

4.5A

the parties do hereby agree each with the other as follows:

1. Continental shall provide such guarantees as may be necessary to enable Halliwell and/or Sedron to borrow on normal banking terms the sum of $200,000 (U.S.) from a New York bank which sum shall be repayable in not less than two years and not more than three years; and Maurice Goodman and Associates agree to provide for $100,000 (U.S.) which sum shall be repayable in not less than two years and not more than three years.

2. The first mortgage obligation of Sedron originally issued by Sedron to Continental to secure a loan of $1,500,000 (U.S.) of which the principal sum of $250,000 (U.S.) is now past due and payable, together with the accrued and unpaid interest thereon to March 31, 1968 of $76,343.96 (U.S.) (aggregating $326,343.96) shall be payable with interest at 6% in instalments of $50,000 on the 1st days of January and July beginning on the 1st day of January, 1969, and the balance thereof shall be payable on the 1st day of July, 1971, such payments to be applied firstly on account of interest at the rate of 6 per cent per annum and the balance to be applied on account of principal with the privilege of repaying any amount at any time without notice or bonus.

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copper concentrates agreement were terminated as of

3. The Copper Purchase Agreement and the Concentrates Agreement shall be terminated as of March 31, 1968 or as soon thereafter as the shipment scheduled to leave Haiti between March 28 and March 31 has left; the intention being that, with the said shipment, all interest of Continental in Sedren's ore or agreements respecting Sedren's ore is terminated.

4. Halliwell shall forthwith allot and issue to Continental, or as Continental may in writing direct, shares of the par value of $1.00 each in the capital stock of Halliwell as fully paid and non-assessable shares free of any escrow or other restriction as follows:

   (a) 150,000 shares as consideration for providing the bank guarantees re-referred to in paragraph 1;

   (b) 359,100 shares in full payment and satisfaction of the liquidated damages of $323,868 payable by Sedren to Continental upon termination of the Copper Purchase Agreement.

5. Halliwell shall pay to Continental the sum of $109,836 (U.S.) in instalments of $10,000 each on the 1st days of January, April, July and October, beginning on the 1st day of January, 1969 and the balance on or before the 1st day of July, 1970 in full payment and satisfaction of the discount in the said amount which will be outstanding as at March 31, 1968 and which is payable by Sedren to Continental pursuant to the Copper Purchase Agree-

BEST COPY AVAILABLE

ment provided however that Continental may on or before May 1, 1970 convert all or any part of the unpaid portion of the said sum of $109,836 (U.S.) into fully paid and non-assessable shares of Halliwell of the par value of $1.00 each at the price of $1.25 (Canadian) per share.

6. This agreement shall be subject to fulfilment of the following additional conditions on or before May 15, 1968.

(a) approval of the shareholders of Halliwell to this agreement.

(b) approval of the shareholders of Halliwell to an agreement dated as of March 15, 1968 between Halliwell and the holders of the outstanding $2,907,000 principal amount of 6-1/2% Sinking Fund Debentures of Halliwell providing, inter alia, for the cancellation of $1,308,150 principal amount of said Debentures and the accrued interest thereon and the conversion of the remaining $1,598,850 principal amount of said Debentures together with the accrued and unpaid interest thereon to March 31, 1968 into 1,574,285 fully paid and non-assessable shares of Halliwell of the par value of $1.00 each;

(c) issuance of supplementary letters patent increasing the authorized capital of Halliwell from $12,000,000 to $17,000,000 divided into shares of the par value of $1.00 each;

439A

(d) acceptance for filing by the Toronto Stock Exchange of a filing statement reflecting this agreement and the agreement referred to in paragraph 6(b);

(e) subject to the authorization of the Office of Foreign Direct Investments, Department of Commerce, Washington, D. C. to the aforesaid guarantee of Continental.

7. In the event that any one or more conditions of this agreement are not fulfilled, either party may on ten clear days written notice to the other cancel this agreement, in which event the Copper Purchase and Concentrates Agreements shall continue in full force and effect.

8. Forthwith upon the execution hereof, Halliwell shall convene a general meeting of its shareholders for the purpose of effectuating this agreement.

9. The parties hereto shall execute and deliver such further assurances and documents as may be necessary or as counsel for either party may deem desirable to effectuate this agreement.

10. This agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and assigns.

IN WITNESS WHEREOF, this agreement has been

Continental. After execution of the settlement agreement, the

duly executed by all the parties hereto.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Per _____ President

c/s

Per _____ Secretary

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

Per _____ President

c/s

Per _____ Secretary

MAURICE GOODMAN AND ASSOCIATES

Per _____

THE ABOVE AGREEMENT is hereby consented to and adopted by

LA SOCIETE d'EXPLOITATION et DEVELOPMENT ECONOMIQUE et NATURAL d'HAITI S.A.

Per _____ President

c/s

Per _____ Treasurer

AMENDING AGREEMENT dated the 8th day of

May, 1968

BETWEEN:

CONSOLIDATED HALLWELL LIMITED (No Personal Liability), a company incorporated under the laws of the Province of Quebec,

(herein called "Halliwell")

OF THE FIRST PART

-and-

CONTINENTAL COPPER & STEEL INDUSTRIES, INC., a company incorporated under the laws of the State of Delaware,

(herein called "Continental")

OF THE SECOND PART

-and-

MAURICE GOODMAN AND ASSOCIATES,

OF THE THIRD PART

WHEREAS the Agreement dated as of the 15th day of March, 1968 made between the parties hereto contains the following subparagraph (e) to clause 6:

"(e) subject to the authorization of the Office of Foreign Direct Investments, Department of Commerce, Washington, D. C. to the aforesaid guarantee of Continental.";

AND WHEREAS the parties hereto have agreed to amend the said Agreement:

NOW, THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants herein contained, the parties hereto do hereby agree each with the other as follows:

1. Paragraph 6(e) of the said Agreement of the

EXHIBIT 3

15th day of March, 1968, is hereby deleted and the following substituted therefor:

"(e) that Continental and the parties of the third part receive the exemption provided for in Section 58(2)(b) of The Securities Act, 1966 (Ontario). Halliwell will, at its own expense and as expeditiously as possible, prepare and file with the Ontario Securities Commission and the Toronto Stock Exchange a statement of material facts necessary to obtain such exemption."

2. Save as herein expressly provided, the Agreement of the 15th day of March, 1968 remains in full force and effect.

3. This agreement shall enure to the benefit of and be binding upon the parties hereto and their successors and assigns.

IN WITNESS WHEREOF, this agreement has been duly executed by all the parties hereto.

CONSOLIDATED HALLIWELL LIMITED
(No personal liability)

Per _____
President

Per _____ c/s
Secretary

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

Per _____
President

Per _____ c/s
Secretary

MAURICE GOODMAN AND ASSOCIATES

Per _____

443A

THIS AGREEMENT made and entered into this 1st day of April, 1959.

BETWEEN:

CONSOLIDATED HALLIWELL LIMITED (no personal liability), a corporation having its head office in the City of Montreal in the Province of Quebec and an executive office at suite 405, 25 Adelaide Street West, Toronto, Ontario, Canada (hereinafter called "Halliwell")

of the First Part

- and -

LA SOCIETE D'EXPLOITATION et de DEVELOPMENT ECONOMIQUE et NATURAL d'HAITI (Sedren) S.A., a corporation duly incorporated under the laws of the Republic of Haiti with head office at Port-au-Prince, Haiti and an executive office at suite 405, 25 Adelaide Street, West, Toronto, Ontario, Canada (hereinafter called "Sedren")

of the Second Part

-and -

CONTINENTAL COPPER & STEEL INDUSTRIES, INC., a corporation duly incorporated under the laws of the State of Delaware of the United States of America with its principal office at 120 Broadway, in the City of New York in the State of New York, U.S.A. (hereinafter called "Continental")

of the Third Part

WHEREAS, Sedren is a wholly-owned subsidiary of Halliwell;

EXHIBIT 4

AND WHEREAS, Sedren is now proceeding to erect a plant for the mining and concentrating at a minimum rate of 1500 tons per day of copper ores from the Terre Neuve area of the concession granted by the government of Haiti to Sedren;

AND WHEREAS, it is anticipated that production of concentrates from treating said ores will commence in or about the month of September, 1960;

AND WHEREAS, Sedren has estimated that 80,000,000 pounds of copper are recoverable from the ore reserves established in the Terre Neuve area of said concession and can be produced therefrom by June 30, 1964;

AND WHEREAS, Continental is desirous of purchasing the copper to be recovered from the said ores;

WITNESSETH THAT in consideration of the premises and the mutual covenants and agreements herein contained, it is hereby agreed by and between the parties hereto as follows:

1. Continental hereby agrees to purchase from Sedren and Sedren hereby agrees to sell to Continental the first 80,000,000 pounds of copper metal recovered by Sedren from copper concentrates produced by Sedren from the ores mined from the concession granted to Sedren by the government of the Republic of Haiti, on the following terms:

(a) SPECIFICATIONS:

The copper to be delivered pursuant to this agreement shall be electrolytic copper in wire bars specified as standard specification in A.S.T.M. B5-43, of such sizes and in such shapes within the standards specified in A.S.T.M. B5-43 as Continental shall designate from time

445A

thus employed by the Buyer, and the issue in this arbitration is

to time.

(b) DELIVERY

The copper shall be delivered f. o. b. to or for the account of Continental at such rod mill or mills located in the New York and New Jersey areas in the United States of America as Continental shall designate from time to time.

(c) QUANTITIES.

Deliveries shall be made commencing not later than the month of January, 1951 at the rate of not less than 1,500,000 pounds per calendar month and not more than 3,000,000 pounds per calendar month.

2. Continental hereby agrees to pay for the copper delivered to it or for its account by Sedren pursuant to this agreement in lawful money of the United States of America to Sedren or as Sedren may direct at the average price per pound of copper as quoted in the Engineering & Mining Journal for "copper, domestic ref'y" for the month in which the copper is delivered (hereinafter referred to as "the quoted price") less the discount hereinafter mentioned, but in any event not less than 24¢ per pound.

3. When the quoted price is 25 cents and not more than 30 cents, Continental shall be entitled to a discount of one cent per pound. When the quoted price is less than 25 cents and not less than 24 cents, Continental shall be entitled to a discount per pound of the fractional difference between the quoted price and the 24 cents. When the quoted price is over 30 cents and not over 38 cents, Continental shall be entitled to a discount of one cent per pound plus 1/8th of the difference between the quoted price and 30 cents; PROVIDED that the maximum discount per

446A

pound to which Continental shall be entitled as aforesaid shall at no time exceed two cents per pound of copper.

4. Continental hereby undertakes, covenants and agrees to make payment for the copper delivered to it or for its account in each month on or before the 15th day of the month following the month in which said deliveries have been made. One copy of the Bill of Lading or other shipping documents covering each shipment of copper made by Sedren pursuant to this agreement shall be sent to Continental at 120 Broadway, New York City, New York, U. S. A., and a further copy to Continental c/o the rod mill to which the shipment has been made.

5. If upon receipt of any shipment of copper at a rod mill, the weight thereof shall appear to vary from the weight claimed in the shipping documents, as soon as possible after the discrepancy shall have been detected, Continental shall notify the refinery from which said shipment has been made and shall send a copy of such notification to Sedren. Acceptance by Continental of such shipment shall not prejudice the right of Continental to claim an adjustment in respect thereof.

6. In the event that at any time or from time to time Sedren shall determine that it is not practical or feasible to deliver copper of its own production, it shall be entitled to deliver, in substitution thereof, copper from any other source in the amounts and at the time provided for in this contract, and subject to all the other terms and conditions hereof.

7. Should Sedren fail to complete the delivery of the 80,000,000 pounds of copper to be delivered by it 447A

hereunder on or before June 30, 1964, Continental may, at its option, either terminate this agreement as to the undelivered portion thereof, or extend time to Sedren for making up the deficiency. Upon such termination Sedren shall become obligated to pay to Continental by way of liquidated damages and not as a penalty, a sum equal to the amount of the discount to which Continental would have become entitled in respect to the undelivered portion of the contract, had delivery been made, based on the average quoted price for the three months commencing July 1, 1964.

8. If any of the parties shall be delayed or prevented from performing any of the agreements which they have herein agreed to perform, by reason of any cause beyond the control of suchparty, such delay or failure of performance shall be excused, and the period of such delay shall be treated as a nullity in calculating the term of this agreement or the time for the performance of any of the provisions thereof, and none of the parties shall have any demand, claim or cause of action for damages therefor or arising therefrom, and such claims, demands or causes of action are hereby expressly waived by all of the parties hereto. The expression "causes beyond the control of such party" shall be construed to include inter alia, fire, strikes, riots, the elements, acts of God or the public enemy, war, civil commotion, insurrection, rebellion, accidents to machinery, or other equipment, failure to receive materials from suppliers, acts of the Government of any country or any governmental agency of any country (including but not restricted to any preference, priority or allocation order, expropriation order, foreign exchanges control or regulation, and any other restrictive order or regulation), floods, epidemics, quarantine, restrictions, freight embargoes, unusually severe weather and delays by any subcontractor, delays or failure of performance by common carriers, but this definition does not and shall not be deemed or construed to limit in any way the generality of

the expression "causes beyond the control of such party".

9. This Agreement shall be construed in accordance with, and the rights of the parties shall be governed by, the laws of the State of New York.

10. Should any dispute arise out of this agreement the same shall be settled by arbitration in accordance with the provisions of Article 84 of The Civil Practice Act of the State of New York.

11. Halliwell hereby guarantees the performance by Sedren of its covenants, undertakings and agreements herein contained and each of them.

12. Any notice required to be given or designation to be made pursuant to any provision of this agreement shall be deemed to have been given or made to and received by the addressee on the day following the posting thereof if sent by registered prepaid post addressed as follows:-

Consolidated Halliwell Mines Limited
Suite 405, 25 Adelaide St. W.
Toronto, Ontario, Canada

Sedren, S.A.
c/o Consolidated Halliwell Mines Limited
Suite 405, 25 Adelaide St. W.
Toronto, Ontario, Canada.

Continental Copper & Steel Industries, Inc.
120 Broadway
New York 5, New York, U. S. A.

13. Time shall be of the essence, and this agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and

assigns.

IN WITNESS WHEREOF the parties hereto have executed these presents.

CONSOLIDATED HALLIWELL MINES LIMITED
(No Personal Liability)

By _____

LA SOCIETE d'EXPLOITATION et de DEVELOPPEMENT ECONOMIQUE et NATURAL d'HAITI (Sedren) S.A.

By _____

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.:

By _____

BEST COPY AVAILABLE

THIS AGREEMENT made and entered into as of this 1st day of July, 1964, between

CONSOLIDATED HALLIWELL LIMITED (No Personal Liability), a corporation having its head office in the City of Montreal in the Province of Quebec and an executive office at suite 405, 25 Adelaide Street West, Toronto, Ontario, Canada (hereinafter called "Halliwell")

-and-

LA SOCIETE d'EXPLOITATION et de DEVELOPMENT ECONOMIQUE et NATURAL d'HAITI (Sedren) S. A., a corporation duly incorporated under the laws of the Republic of Haiti with head office at Port-Au-Prince, Haiti (hereinafter called "Sedren"),

-and-

CONTINENTAL COPPER & STEEL INDUSTRIES, INC., a corporation duly incorporated under the laws of the State of Delaware of the United States of America with its principal office at 100 East 42nd Street, in the City of New York in the State of New York, U. S. A. (hereinafter called "Continental").

1

WHEREAS, the parties made and entered into an agreement on April 1, 1959 pursuant to which Continental agreed to purchase and Sedren agreed to sell and deliver by June 30, 1964 the first eighty million pounds of copper metal recovered by Sedren in the form of electrolytic copper and wire bars from copper concentrates produced by Sedren, at its mine in the Republic of Haiti, and

EXHIBIT 5

WHEREAS, Sedren has caused to be delivered to date only approximately 38,556,000 pounds of wire bar against the said agreement, and

WHEREAS, Sedren will be unable to deliver a total of eighty million pounds of wire bar by the said date, and

WHEREAS, the parties desire to enter into an amendment of said agreement extending the period within which Sedren may deliver the said eighty million pounds of wire bar to Continental and modifying the agreement in certain other respects,

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, it is agreed as follows:

1. Subparagraph (c) is amended to read as follows:

(c) QUANTITIES

Deliveries of wire bar shall be made in monthly installments provided however, that as long as Sedren shall deliver to Continental copper concentrates pursuant to a certain agreement entered into between Sedren and Continental on July 1, 1964, Sedren shall not be required to make any delivery of wire bar pursuant to this agreement. Upon termination of said agreement, and provided Continental shall not have received a total of eighty million pounds of wire bar and/or returnable copper produced in concentrates, Sedren shall resume monthly deliveries of wire bar pursuant to this agreement and Continental shall pay for the same pursuant to paragraph 2 as amended herein.

2. Continental shall pay for the copper wire bar delivered to it or for its account by Sedren pursuant to this agreement in lawful money of the United States of America to Sedren or as Sedren may direct at the average price per pound of copper as quoted in the Engineering & Mining Journal for "copper, domestic ref'y" for the month in which the copper is delivered (hereinafter referred to as the "quoted price") less the discount hereinafter mentioned, but in any event not less than 24¢ per pound.

3. Paragraph 3 of said agreement is amended to read as follows:

3. When the quoted price is 25 cents and not more than 30 cents, Continental shall be entitled to a discount of one cent per pound on each pound of wire bar purchased hereunder. When the quoted price is less than 25 cents and not less than 24 cents, Continental shall be entitled to a discount per pound of the fractional difference between the quoted price and the 24 cents. When the quoted price is over 30 cents and not over 38 cents, Continental shall be entitled to a discount of one cent per pound plus 1/8th of the difference between the quoted price and 30 cents; PROVIDED that the maximum discount per pound to which Continental shall be entitled as aforesaid shall at no time exceed two cents per pound of copper.

As long as Continental shall purchase copper concentrates from Sedren under the agreement dated July 1, 1964, Continental shall receive the above discounts against the quoted price computed against pounds of returnable copper as ascertained by final assays at the smelter on each and every shipment of concentrates. The discounts for the purpose of this paragraph shall be applied against the quoted price for the month in which the copper concentrates are

delivered to smelter. Payment of discounts shall be made to Continental upon receipt by Sedren of final settlement from smelter on each and every shipment.

4. Paragraphs 4 and 12 are amended to indicate Continental's new mailing address as 100 East 42nd Street, New York, New York, 10017.

5. Paragraph 7 is amended to read as follows:

7. Should Sedren fail to deliver to Continental a total of eighty million pounds of wire bar and/or returnable copper produced in concentrates on or before December 31, 1966, Continental may, at its option, either terminate this agreement as to the undelivered portion thereof, or extend the time for Sedren to complete delivery. Upon such termination, if any, Sedren shall pay to Continental by way of liquidated damages and not as a penalty, a sum equal to the amount of the discounts to which Continental would have become entitled in respect to the undelivered portion of the contract, had delivery been made, based on the average quoted price for the three months commencing January 1, 1967. There shall be credited against the said eighty million pounds of returnable copper required to be delivered by Sedren under this agreement as amended, the aggregate amount of returnable copper produced in concentrates and sold to Continental under the aforesaid agreement dated July 1, 1964.

6. Except as modified herein, the agreement of April 1, 1959 is in all other respects confirmed, ratified and approved.

IN WITNESS WHEREOF, the parties hereto, by their appropriate officers, have hereunto set their

454A

hands and seals the 1st day of July, 1964.

CONSOLIDATED HALLIWELL MINES
LIMITED (No Personal Liability)

By Adolph H Graetz
Vice-President

LA SOCIETE d'EXPLOITATION et de
DEVELOPMENT ECONOMIQUE et NATURAL
d'HAITI (Sedren) S. A.

By Adolph H Graetz
Director

CONTINENTAL COPPER & STEEL
INDUSTRIES, INC.

By
Vice Pres. - Treas.

AGREEMENT made as of the 1st day of July, 1964 by and between CONTINENTAL COPPER & STEEL INDUSTRIES, INC., 100 East 42nd Street, New York 17, New York,(hereinafter referred to as "Buyer"), SOCIETE d'EXPLOITATION et de DEVELOPPMENT ECONOMIQUE et NATUREL d'HAITI (Sedren) S.A., Port-Au-Prince, Haiti,(hereinafter referred to as "Seller") and CONSOLIDATED HALLIWELL LIMITED,(No Personal Liability), (hereinafter referred to as "Guarantor").

WITNESSETH THAT: Seller agrees to sell and Buyer agrees to buy the material hereinafter described upon the terms and conditions hereinafter set forth:

MATERIAL Copper concentrates as produced by Sedren, S.A. at its mine in the Republic of Haiti.

QUALITY Typical and approximate assays of the concentrates are

Cu	35% per short dry ton
Ag	6.0 ozs per short dry ton
Au	0.5 ozs per short dry ton
Fe	27% per short dry ton
S	33% " " " "
Si oz	2.2% " " " "
Ca O	1.2% " " " "
H_2O	6/7% " " " "

The concentrates shall be free from impurities detrimental to smelting and refining operations. Seller also warrants that the concentrates shall be delivered on board ship with a moisture content not exceeding that which shall make the material suitable for smelting and safe for ocean transport in bulk, alone or with other materials in accordance with usual marine practice pertaining to copper concentrates.

QUALITY & DURATION Seller's total production of concentrates during a two-and-one-half year period commencing July 1, 1964 and ending December 31,1966,or in the event Seller shall cease operations at the mine prior to said date, then until the date on

456

EXHIBIT 6

which operations shall cease.

SHIPMENT In movements of 1000 to 3000 Long Wet tons, currently and as often as Seller finds practical, but in any case at intervals not exceeding three months, unless unusual circumstances involving contingencies beyond the control of the Seller shall prevent such shipment.

Seller shall provide Buyer with 30 days' notice prior to each shipment. Buyer shall use its best endeavors to provide the necessary ships for loading by Seller on the date specified in each said notice. If Buyer fails to provide a ship or ships as aforesaid, Seller shall be entitled nevertheless to call for an advance payment as provided below in paragraph entitled "Payments", in respect to a minimum of 2500 tons and a maximum of 3000 tons of concentrate awaiting shipment as if the same had been delivered aboard ship. In this event the concentrates shall be deemed to have been delivered to Buyer but the same shall continue at Seller's risk until the said concentrates are actually delivered aboard ship. Buyer shall be entitled to such documents as it may require to protect it in respect to such advance payment or payments.

DELIVERY Delivery shall be made at Seller's port in Haiti, F. O. B. steamer, material loaded and trimmed in ship's holds.

Seller warrants that said port is suitable for handling steamers standard in the ore trade of not more than 30' draft and that the

concentrates will be loaded expeditiously and in such amounts as are practical.

Title to the concentrates shall pass to Buyer upon completion of the loading and trimming operations, as evidenced by a set of clean on board ocean or charter party bills of lading, signed by the Master of the steamer or other authorized representative.

PRICE

The price of the material shall be the sum of the payments less the sum of the deductions as specified below:

Payments

Copper: Deduct from the wet copper assay one unit and pay for 100% of the remaining copper at the daily net export refinery quotations for electrolytic copper as published in the Engineering and Mining Journal Metal and Mineral Markets, averaged over the quotational period, less one cent per pound of copper paid for.

Silver: If thirty (30) grams per net dry metric tons or more, pay for 90% of the silver content at the Handy & Harman New York price for unrefined silver, as published in the Engineering and Mining Journal Metal and Mineral Markets averaged over the quotational period.

Gold: If one gram per net dry metric ton or more, the gold shall be paid for at the U. S. Treasury net price (at present $34.9125) in accordance with the following scale:

1	gram	and	above,	but	less	than	3	grams----------90%
3	grams	"	"	"	"	"	5	grams----------94%
5	"	"	"	"	"	"	10	grams----------95.5%
10	"	"	"	"	"	"	20	grams----------96.5%
20	"	"	"	"	"	"	30	grams----------97%
30	"	"	"	"	"	"	50	grams----------97.5%
50	grams	and	above----------					98%

The quotational period shall be the calendar month commencing on the first day of the month during which the carrying vessel arrives at the first port of discharge in Japan. For this purpose the date on which the vessel reports at customs at the port of discharge shall be taken as the date of arrival.

Deductions

Treatment charge: $5.50 (Five dollars and fifty cents) U. S. Currency per metric ton, net dry weight, delivered C.I.F. Main Japanese Port (as selected by Buyer).

OCEAN FREIGHT

To be charged to Seller on the actual wet weight at rates F.I.O.T. of Charters or Freighting contracts. The Buyer shall at all times endeavor to obtain the best possible rate and shall charter or contract for the freight, inform Seller thereof and provide Seller with copies of the freight contracts. Unloading in Japan shall shall be for Buyer's account.

The Seller shall pay ocean freight rate up to U.S. $14.50 per wet long ton F.I.O. (Present rate approximately $12.00 per L.W.T.) The Buyer agrees to absorb any additional freight cost or provide ocean freight space at a rate not exceeding $14.50 per wet long ton F.I.O.

INSURANCE

The insurance premiums are for Seller's account and shall cover the concentrates to smelter's works for 110% of the C.I.F. value against the follow-

ing risks:

1. Including particular average.
2. Heating and spontaneous combustion, even when caused by inherent vice.
3. Strikes, riots and civil commotions.
4. War risk.

The existing insurance premium for War Risks including SRCC(strikes,riots and civil commotion) of $0.0375 for $100 is for Seller's account while any increase shall be for Buyer's account.

WEIGHING, SAMPLING & MOISTURE DETERMINATION

The concentrates shall be weighed,sampled and moisture determined upon arrival at the smelter or port of destination. Weight and moisture thus determined shall be final for settlement. Buyer shall arrange on behalf of Seller and at Seller's expense, for representation at these operations by a first class reputable supervising laboratory to be approved by Seller.

ASSAYING

From the samples taken at destination, Buyer shall have Seller's party assay made, at Seller's expense, by a first class reputable laboratory to be approved by Seller . Buyer shall exchange these assays with the smelter and final settlement shall be made on the average of the analyses, provided that the splitting limits listed below are not exceeded.

If the splitting limits are exceeded, an umpire assay shall be made. Settlement shall be made at the mean of the umpire assay and the near party's assay,provided that the umpire assay lies between the two parties assays. If the umpire assay falls outside the two parties,

settlement shall be made at the middle one of the three assays. The cost of the umpire shall be borne by the losing party.

SPLITTING LIMITS

Copper	0.30%
Silver	30 grams per dry metric ton
Gold	0.5 grams per dry metric ton

PAYMENTS

After loading of the concentrates, and calculated at the prevailing metal quotations on the date of delivery of the shipping documents, the Buyer shall provisionally pay Seller 90% of the provisional value against presentation of proper shipping documents, preliminary weight certificate and preliminary assay certificate sworn to by Seller's Chief Assayer.

If 150 days after steamer's sailing date settlement weights and assays should not be available, a second provisional payment of the full balance shall be made on the basis of the applicable metal quotations and such other data as is available.

After receipt of governing weights assays and quotations for each shipment, a final accounting shall be rendered to Seller.

DISPOSITION OF MATERIAL

All payments, freight rates, etc. are based on shipment of concentrates to Japanese smelters. It is understood that any diversion of shipments to other than Japanese Smelters, can be effected only with Seller's written approval.

DELIVERY OF WIRE BAR

Under a contract entered into between Consolidated Halliwell Limited, Sedren and Continental Copper & Steel Industries,Inc.,dated April 1,1959, it was agreed that copper wire bar would be delivered to

461 A

[illegible] the concentrates produced at the Sedren mine.

For the term of this agreement, the Buyer undertakes to procure for its own account the wire bar, as per said contract.

Commencing with the July, 1964 production of the mine, Seller shall be excused from delivering such wire bar to Buyer.

By reason of this agreement Seller is released of the cost of .75¢ per lb. of returnable wire bar for delivery and force majeure charges heretofore payable by Seller, under its sales agreement expiring June 30, 1964.

In consideration therefor Seller shall pay the Buyer .375¢ per pound of returnable wire bar.

It is acknowledged that by reason of this agreement, the Seller will realize considerable savings which are evident from the following comparison between the Buyer's contract and the next best offer received by the Seller. The parties hereto agree that these savings should be shared 50/50 between the Buyer and the Seller on the following basis:

Basis: CU -35% S.D.T., AG 6 ozs/S.D.T., AU .5 ozs/SDT
H_2O 7%, E & MJ Export Price 29.60¢/lb.

			Next Best Bid		CCS	Saving
CU 35%						
Less 1 unit						
34%=680 lbs.at 29.6¢						
Less 1.0=28.6¢			194.48		194.48	
AG 6 ozs at 90%=5.4 oz.at $1.29			6.97		6.97	
AU .5 ozs.at 95%=.475 ozs.at $34.9125			16.58			
AU .5 ozs.at 96.5%=.4825 ozs.at $34.9125					16.85	.27
			218.03		218.30	
T/C 2-1/2 year average	8.53			4.99		3.54
O/F(Estimate at present $12/LWT)	11.52			11.52		.58
Discharge	.58			-		
Insurance	.60		21.23	.60	17.11	
			195.80		201.19	
Commission 1.5%			2.95		-	2.95
			Savings on Concentrate			$7.34
			. 1/2=			$3.67

OTHER CONDITIONS

(a) Seller undertakes to obtain all the necessary permits, licenses and any required documents to assure the free port of concentrates from Haiti in such manner that smooth operation of the above agreement is not impaired. Buyer will undertake or provide for the corresponding import and export licenses, as the case may be, in other countries, wherever necessary.

(b) All Haitian taxes, duties and other direct or indirect charges applying in Haiti to this agreement or the performance thereof shall be borne by Seller, except only such taxes, duties and other charges relating to the profits derived by the Buyer.

(c) If any of the quotations for metals governing part or all of this contract should be suspended or their manner of determination be changed, Buyer and Seller shall endeavor to arrive at a new pricing basis mutually acceptable.

(d) All charges incurred by Buyer for Seller's account for Ocean Freight, Insurance and Representation at Destination shall be reviewed and approved by Seller prior to commitment and shall be billed to Seller at the exact amounts charged to Buyer. Commissions, direct or indirect, if any, derived by Buyer for placing Ocean Freight and Insurance less Buyer's expenses incurred in connection therewith, shall revert to Seller.

FORCE MAJEURE

If any of the parties shall be delayed or prevented from performing any of the agreements which they have herein agreed to perform, by reason of any cause beyond the control of such party, such delay or failure of performance shall be excused, and the period of such delay shall be treated as a nullity in calculating the term of this agreement or the time for the performance of any of the provisions thereof, and none of the parties shall have any demand, claim or cause of action for damages therefor arising therefrom, and such claims, demands or causes of action are hereby expressly

waived by all of the parties hereto. The expression "causes beyond the control of such party" shall be construed to include inter alia, fire, strikes, riots, the elements, acts of God or the public enemy, accidents to machinery or other equipment, failure to receive materials from suppliers, acts of the Government, (including but not restricted to any preference, priority or allocation order) or any other governmental agency having jurisdiction thereof, floods, epidemics, quarantine, restrictions, freight embargoes, unusually severe weather and delays by subcontractor, delays or failure of performance by common carriers, but this definition doesnot and shall not be deemed or construed to limit in any way the generality of the expression "causes beyond the control of such party".

DEFINITION Whenever referred to above, a ton is a short ton of 2,000 lbs. avoirdupois weight. A unit is 1% (20 lbs) of the above mentioned ton. An ounce is a troy ounce.

Whenever mentioned herein, dollars and cents are in the currency of the United States of America.

ARBITRATION Any controversy or claim arising out of or relating to this contract or the breach thereof shall be settled by arbitration in New York City in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered may be entered into the Supreme Court of New York or any court with jurisdiction.

JURISDICTION — This agreement shall be construed in accordance with and the rights of the parties shall be governed by the laws of the State of New York.

GUARANTEE — Guarantor hereby guarantees the performance by Sedren of its covenants, undertakings and agreements and each of them contained in this agreement, as amended.

IN WITNESS WHEREOF, the parties hereto have by their authorized officers, hereunto set their hands and their corporate seals, as of this 1st day of July, 1964.

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

By _____
Vice President.

SOCIETE d'EXPLOITATION et de DEVELOPPMENT ECONOMIQUE et NATUREL d'HAITI (Sedren)

By Adolph H Graetz
Director

CONSOLIDATED HALLIWELL LIMITED,
(No Personal Liability)

By Adolph H Graetz
Vice-President

THIS AGREEMENT made and entered into as of the 1st day of January, 1967 among

CONSOLIDATED HALLIWELL LIMITED (No Personal Liability), a corporation having its head office in the City of Montreal in the Province of Quebec and an executive office at suite 405, 25 Adelaide Street West, Toronto, Ontario, Canada (hereinafter called "Halliwell")

-and-

LA SOCIETE d'EXPLOITATION et de DEVELOPMENT ECONOMIQUE et NATURAL d'HAITI (Sedren) S.A., a corporation duly incorporated under the laws of the Republic of Haiti with head office at Port-Au-Prince, Haiti (hereinafter called "Sedren")

-and-

CONTINENTAL COPPER & STEEL INDUSTRIES,INC., a corporation duly incorporated under the laws of the State of Delaware of the United States of America with its principal office at 111 East 42nd Street, in the City of New York in the State of New York, U. S. A. (hereinafter called 'Continental").

WHEREAS, the parties entered into a copper purchase agreement on April 1, 1959, and

WHEREAS, an amendment to said agreement was entered into on July 1, 1964 for the period July 1,1964 to December 31, 1969 ('amended agreement'), and

WHEREAS, the parties desire to extend and further amend said agreements in the particulars hereinafter stated:

466A

-1-

EXHIBIT 7

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, it is agreed as follows:

1. Subparagraph (C) of paragraoh 1 of the amended agreement is hereby changed to read as follows:

"(C) Deliveries of wire bar shall be made in monthly installments, provided, however, that as long as Sedren shall deliver to Continental copper concentrates pursuant to a certain concentrates agreement, as hereinafter defined, Sedren shall not be required to make deliveries of wire bar pursuant to this agreement."

2. The second subparagraph of paragraph 3 of the amended agreement is changed to read as follows:

"As long as Continental shall purchase copper concentrates from Sedren under the concentrates agreement, Continental shall receive the above discounts against the quoted price computed against pounds of returnable copper as ascertained by final assays at the smelter on each and every shipment of concentrates. The discounts for the purpose of this paragraph shall be applied against the quoted price for the month in which the copper concentrates are delivered to smelter. Payment of discounts shall be made to Continental upon receipt by Sedren of final settlement from smelter on each and every shipment."

3. Paragraph 7 of the amended agreement is changed to read as follows:

"7. Continental may, at any time after December 31,1968 at its option, upon three months written notice terminate this agreement as to any portion thereof then undelivered and upon such termination Sedren shall pay to Continental, by way of liquidated damages and not as a penalty, a sum equal to the amount of the discounts to which Continental would have become entitled in respect to the undelivered portion of up to 80,000,000 pounds had delivery been made, based on the average quoted price for the three months commencing with the date of notification. There shall be credited against the returnable copper required to be delivered by Sedren under this agreement as amended, the aggregate amount of returnable copper produced in concentrates and sold to Continental under the aforesaid concentrates agreement."

4. The agreement dated April 1, 1959 as amended on July 1, 1964 is further amended by adding the following new paragraphs :

"14. Concentrates agreement shall mean the agreement entered into among the parties on July 1, 1964 relating to the sale by Sedren and the purchase by Continental of copper concentrates as produced by Sedren at its mine in Haiti and said agreement as amended as of the date hereof or as hereafter amended."

468A

"15. Upon delivery by Sedren of the 80,000,000 pounds of copper to be delivered by it pursuant to the terms of this agreement and the concentrates agreement, Continental shall become the sales agent for the sale of the produce of all mining properties controlled or operated by Sedren or Halliwell for a term of five years, subject at the option of Continental to renewal for an additional term of five years. The sales commission to be paid to Continental shall be 2% of net smelter returns, basis CIF final destination."

"16. Sedren will set aside each year during the term of this agreement before any distribution is made by Halliwell by way of prepayment of principal on its debentures, at least $200,000 which sum shall be held in escrow and used exclusively in the exploration and development of additional ore on the Sedren Concession and the Cnesa Concession. To the extent that any part of the said sum remains unexpended or uncommitted in any such year, such amount shall, at the option of Continental, be paid to Continental."

"17. The purchase agreement, as amended, may be assigned to a wholly owned subsidiary of Continental."

5. Except as modified herein, the said agreement entered into April 1, 1959 as amended by agreement entered into July 1, 1964 is in all other respects con-

firmed, ratified and approved.

IN WITNESS WHEREOF, the parties hereto by their appropriate officers, have hereunto set their hands and seals the 17th day of April, 1967.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

By _____

LA SOCIETE d'EXPLOITATION et de DEVELOPMENT ECONOMIQUE et NATURAL d'HAITI (Sedren) S.A.

By _____

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

By _____

THIS AGREEMENT made and entered into as of the 1st day of January, 1967 among

CONSOLIDATED HALLIWELL LIMITED (No Personal Liability), a corporation having its head office in the City of Montreal in the Province of Quebec and an executive office at suite 405, 25 Adelaide Street West, Toronto, Ontario, Canada (hereinafter called "Halliwell")

-and-

LA SOCIETE d'EXPLOITATION et de DEVELOPMENT ECONOMIQUE et NATURAL d'HAITI (Sedren) S.A., a corporation duly incorporated under the laws of the Republic of Haiti with head office at Port-Au-Prince, Haiti (hereinafter called "Sedren")

-and-

CONTINENTAL COPPER & STEEL INDUSTRIES, INC., a corporation duly incorporated under the laws of the State of Delaware of the United States of America with its principal office at 100 East 42nd Street, in the City of New York in the State of New York, U. S. A. (hereinafter called "Continental").

WHEREAS, the parties entered into a copper concentrates purchase agreement on July 1, 1964 for the period July 1, 1964 to December 31, 1966, and

WHEREAS, the parties desire to extend and amend said agreement in the particulars hereinafter stated;

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, it is agreed as follows:

1. The paragraph on page 1 of the concentrates agreement entitled "Quality and Duration" is hereby amended to extend the period therein mentioned by providing that the said period shall run concurrently with the term of a certain copper purchase agreement between the parties dated April 1, 1959, as amended.

2. The paragraphs on pages 3 and 4 of the concentrates agreement headed "Copper", "Silver" and "Gold" under the subheading "Payments" is hereby changed to read as follows:

"Copper: Deduct from the wet copper assay the number of units deducted by the smelter and pay for 100% of the remaining copper at a price which shall be equal to the average during the quotational period of the following prices:

(a) the daily net export refinery quotation for electrolytic copper as published in Metals Week incorporating the Engineering and Mining Journal Metal and Mineral Markets (Metals Week);

(b) the daily net domestic refining quotation for electrolytic copper as published in Metals Week;

(c) the London Metal Exchange Cash Settlement price for electrolytic wire bar; and

(d) U.S. prime producers' price as published in the Wall Street Journal

less the amount per pound of copper paid for and deducted by the smelter at point of discharge for each shipment."

"Silver" and "Gold": Shall be paid for under the same terms and pursuant to the same schedule as specified by the particular smelter at final destination.

3. The first full paragraph on page 4 of the concentrates agreement shall be changed to read as follows:

"The quotational period shall be the same as that specified by the smelter at final

472 A

destination. For this purpose the date on which the vessel reports at customs at the port of discharge shall be taken as the date of arrival."

4. The paragraph on page 4 of the concentrates agreement headed "Treatment Charges" under the subheading "Deductions" is hereby changed to read as follows:

"Treatment Charges: The amount of treatment charges paid by Buyer at ultimate destination."

4. The section on pages 6 and 7 of the concentrates agreement entitled "Delivery of Wire Bar" is hereby amended by deleting therefrom the last paragraph commencing with the words "It is acknowledged that by reason of this agreement ***" and ending with the words "*** the Buyer and the Seller on the following basis:" and by deleting therefrom the table following the aforesaid words.

6. The concentrates agreement as amended herein may be assigned by the Buyer toa wholly owned subsidiary.

7. Except as modified herein the said agreement entered into July 1,1964 is in all other respects confirmed, ratified and approved.

IN WITNESS WHEREOF, the parties hereto by their appropriate officers, have hereunto set their hands and seals the 28th day of April,1967.

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

By _____

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

By _____

LA SOCIETE d'EXPLOITATION et de DEVELOPMENT ECONOMIQUE et NATURAL d'HAITI (SEDREN) S. A.

By _____

4734

		London Metal Exchange	Prime Producer	Export Refinery	Domestic Refinery
No.	Coin Sales for (MT)	Annual Date	Late		
55	640 333	9-11-67	61,609	60,000	61,450
56	870,407	11-8-67	62,254	58,000	61,570
57	813,034	2-3-66	76,305	36,000	61,570
	2,323,774				

(1) LAST QUOTED AVERAGE - AUGUST 1967

EXHIBIT 4

11

~~All to whom these Presents shall come or may Concern.~~

Greeting: *KNOW YE, That* La Societe d'Exploitation et de Development Economique et Natural d'Haiti (Sedren)S.A.

a corporation organized and existing under and by virtue of the laws of the Republic *of* Haiti *for and in consideration of the sum of* ONE and 00/100---------- *dollars* ($ 1.00) *lawful money of the United States of America to it in hand paid by* CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

the receipt whereof is hereby acknowledged, has remised, released and forev. discharged, and by these presents does for itself and its successors, remise, release and forever discharge the said CONTINENTAL COPPER & STEEL INDUSTRIES, INC., its

~~heirs, executors and administrators,~~ *successors and assigns of and from all manner of actions, causes of action, suits, debts, dues, sums of money, accounts, reckoning, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever, in law, in admiralty, or in equity, which against* the said CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

it ever had, now has or which it or its successors hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of these presents.

This release shall not apply, however, to the rights and obligations of the parties hereto under a certain Copper Purchase Agreement made as of the 1st day of April, 1959, as amended as of July 1, 1964, and January 1, 1967 or under a certain Concentrates Agreement between the said parties entered into on July 1, 1964, and amended as of the 1st day of January, 1967, or to debt between the said parties.

This release may not be changed orally.

In Witness Whereof, *the said* La Societe d'Exploitation et de Development Economique et Natural d'Haiti (Sedren) S.A. *has caused its corporate seal to be hereunto affixed and these presents to be signed by its duly authorized officer on the* 28th *day of* April *19* 67

(Corporate Seal)

LA SOCIETE d'EXPLOITATION et de DEVELOPMENT ECONOMIQUE Et NATURAL D'Haiti (Sedren) S.A.

By [signature] Vice.

EXHIBIT 9a

STATE OF NEW YORK *COUNTY OF* NEW YORK *ss.:*

On the 28th *day of* April *1967 before me personally came* Murray Cooper *to me known, who, being by me duly sworn, did depose and say that he resides at No.* 2500 Bathurst Street, Toronto 19, Ontario *that he is the* Vice President *of* La Societe d'Exploitation et de Development Economique et Natural d'Haiti (Sedren) S.A. *the corporation described in, and which executed, the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of* directors *of said corporation; and that he signed h is name thereto by like order.*

[signature] Vice President

ALICE T. FLYNN
NOTARY Public, State of New York

475A

SOCIETE D'EXPLOITATION ET DE DEVELOPPEMENT
ECONOMIQUE ET NATUREL D'HAÏTI (SEDREN) S. A.

SOCIETE ANONYME AU CAPITAL DE $ 20.000.00
PORT-AU-PRINCE, HAITI

PLEASE REPLY TO:
S E D R E N, S. A.
% National Outlook Corporation
100 East 42nd Street
New York, New York 10017

Cable Address : SEDREN
P. O. Box No. 818
Phone : 2028

December 26, 1967

Continental Copper & Steel Industries, Inc.
100 East 42nd Street
New York, New York 10017

Gentlemen:

Re: Shipment #55 - S. S. El Salvador Maru

We are in receipt of your final accounting for the aforementioned shipment. Will you please inform us how the "average of four prices" for copper was computed and the basis for such computation.

Very truly yours,

SEDREN, S. A.

By: Adolph H. Graetz
Adolph H. Graetz

AHGtcar

13

476 A

EXHIBIT

December 28, 1967

Mr. A.H. Graetz
Sedren, S.A.
c/o National Outlook Corp.
100 East 42nd Street
New York, N.Y. 10017

Dear Mr. Graetz:

RE: Shipment No. 55
S.S. El Salvador Maru

To arrive at the "average of four prices" used in the final accounting of the captioned shipment, we used the following prices:

Prime Producers	38.000¢
Domestic Refinery	39.090¢
Export Refinery	45.450¢
LME Electrolytic Wirebar Settlement	47.809¢

Please note that since the Domestic Refinery quotation has been suspended since September 4, 1967, we have used the last known monthly average for this price, which we understand, is being customarily used in the market to settle contracts stipulating Domestic Refinery prices.

Very truly yours,

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

Walter H. Knorr

WHK/ob

14

477A

EXHIBIT No. 1

SOCIETE D'EXPLOITATION ET DE DEVELOPPEMENT
ECONOMIQUE ET NATUREL D'HAITI (SEDREN) S. A.

SOCIETE ANONYME AU CAPITAL DE $ 20.000.00
PORT-AU-PRINCE, HAITI

PLEASE REPLY TO:
S E D R E N, S. A.
% National Outlook Corporation
100 East 42nd Street
New York, New York 10017

Cable Address : SEDREN
P. O. Box No. 815
Phone : 2020

February 7, 1968

Continental Copper & Steel Industries, Inc.
100 East 42nd Street
New York, New York 10017

Attention: Mr. Walter H. Knorr, Vice-President

Gentlemen:

Re: Shipment 455 - S. S. El Salvador Maru

On January 30, 1968 I met with your Mr. Kennedy regarding the pricing basis for the above mentioned shipment.

In discussing this subject, Mr. Kennedy reiterated your position that the last known EMJ-Domestic price quotation for copper should prevail. The EMJ-Domestic price has been suspended since early September, 1967. This price called for in our contract is the price that is quoted in the trade for copper that is delivered at consumer's plants. We therefore request you to provide us with a quotation (publicly reported) for the period under review which would reflect prices at consumer's plants in lieu of the suspended and non-available EMJ-Domestic price.

We are prepared to meet with you again at your convenience. May we hear from you soon on this matter.

Very truly yours,

SEDREN, S. A.

By: _____
Adolph H. Graetz
Vice-President

AHG:car
cc: Mr. M. Cooper, Toronto

EXHIBIT 106

February 14, 1968

Mr. Adolph H. Graetz
Sedren, S.A.
c/o National Outlook Corporation
100 East 42nd Street
New York, N.Y. 10017

Dear Mr. Graetz:

Re: Shipment #55 - Haitian Concentrates

We acknowledge your letter of February 7, 1968, concerning the pricing basis for the above-mentioned shipment.

The last published E. & M. J. domestic price quotation was 39.09¢ for the month of August. As you know, the vast majority of the U.S. copper mining and processing industry went on strike in mid July. Therefore, the August E. & M. J. quotation reflects the price during the strike period and is the price being used in the industry in lieu of the quoted price which has been suspended. We have repeatedly checked this point and this is the accepted practice.

Last week, after Mr. Kennedy's conversation with you, we asked the copper editor of the E. & M. J. for his opinion on this subject. He told us that the E. & M. J. domestic price is always computed by averaging the U.S. Prime Producer's quotation with the Canadian Producer's price for copper sold in the U.S. Using this formula, he stated that the September and October averages would have remained about the same as the August quotation and that November and December would have been increased by about one half cent while January would have risen to about one cent over the August average.

Shipment #55 has been priced in accordance with this formula, to wit: 39.09¢ for the E. & M. J. domestic price.

Very truly yours,

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

Walter H. Knorr

WHK:sa

16

479A

EXHIBIT 10 S

480A

SOCIETE D'EXPLOITATION ET DE DEVELOPPEMENT
ECONOMIQUE ET NATUREL D'HAITI (SEDREN) S. A.

SOCIETE ANONYME AU CAPITAL DE $ 20.000.00
PORT-AU-PRINCE, HAITI

PLEASE REPLY TO:
S E D R E N, S. A.
% National Outlook Corporation
100 East 42nd Street
New York, New York 10017

Cable Address : SEDREN
P. O. Box No. 513
Phone : 2020

February 26, 1968

Continental Copper & Steel Industries, Inc.
100 East 42nd Street
New York, New York 10017

Attention: Mr. Walter H. Knorr, Vice-President

Gentlemen:

Re: Shipment #55 - S. S. El Salvador Maru

We are in receipt of your letter of February 14, 1968 regarding the pricing of the aforementioned shipment.

You failed to provide us with a publicly reported quotation, as called for in our letter of February 7th, for the period under review which would reflect prices at consumer's plants in lieu of the suspended and non-available EMJ-Domestic price.

Mr. Kennedy's conversation with the copper editor of the E. M. & J. is at variance and inconsistant with that which is published regularly in "Metal Week" (E. M. & J.), to wit:

> "(a) Metal Week Quotations are based on sales reported by producers and their agents. The daily quotations for copper, lead and zinc are weighted averages of slaes reported to Metal Week
>
> Copper, lead and zinc quotations are based on sales for prompt and future deliveries.
>
> (b) Copper prices, domestic, in the trade are quoted on a delivered basis, that is, delivered at consumer's plants. The above prices are net prices at the refineries; the average shipment cost is deducted to arrive at a refinery price."

We invite your attention to that portion of paragraph (b) which reads, "Copper prices, domestic, in the trade are quoted on a delivered basis, that is, delivered at consumer's plants." These prices refer to "the daily net domestic refining quotation for electrolytic copper as published in Metal Week" as called for in our contract.

480A

17

EXHIBIT 10d

So that a fair and equitable solution may be reached we suggest one of the following alternatives.

1. Since the EMJ-Domestic price is not publicly reported, it be dropped from the formula;

2. Copper prices as reported on the New York Commodity Exchange be used, for the quotational price.

3. Average price for copper paid by Continental Copper & Steel Industries, Inc. for the quotational period. (This would be consistent with the EMJ-Domestic quotation which states "Copper prices...quoted...delivered at consumer's plants.")

4. Apply the formula as reported by Copper Range Company in the New York Times, February 10,1968, (copy attached).

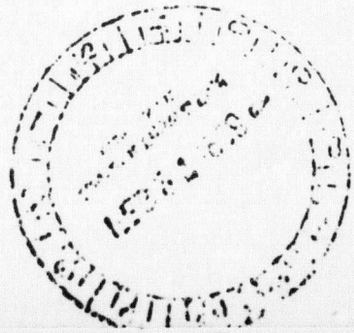
We are prepared to meet with you again at your convenience. We hope that we may hear from you soon on this matter.

Very truly yours,

SEDREN, S. A.

BY: Adolph H. Graetz
Adolph H. Graetz

AHG:car
Enc.



Copper Range Raising Prices; Zambia Seeks Talks With Chile

N.Y. Times 2-16-67

A New Formula

By WILLIAM M. FREEMAN

The Copper Range Company, the first domestic producer of copper to resume production since the mines were shut by a strike last Aug. 31, announced yesterday it would increase its prices for electrolytic copper.

The actual price schedule, to be announced each Monday, will be based on an average of the Aug. 31 price and the weekly European cost-insurance-freight price published by Metals Week, a trade publication.

If this formula had been applied last Monday the increase on primary copper would have been 9.925 cents a pound and the new price would have been 47.925 cents a pound.

This would have been the largest increase in the history of the domestic copper industry.

The company commented in a letter to its customers that "we would like to see copper

Continued on Page 33, Column 1

COPPER RANGE CO. RAISING ITS PRICES

Continued From Page 43

sold under a pricing structure that will achieve as stable a price as possible and yet truly reflect market values for our metal."

"Obviously," it said, "past pricing practices have failed to achieve this."

The action was to make up for the $13-million in increased labor costs the company estimates it incurred in a new 42-month labor agreement at its White Pine, Mich., workings.

It is expected in the industry that most United States producers will raise prices 2 to 4 cents a pound when the strike ends.

Most copper consumers in this country have been paying about 70 cents a pound to foreign producers and to metal dealers here.

The little domestic copper available has come from secondary sources.

One major copper user commented:

"We'll be very glad to buy copper at less than 50 cents a pound from Copper Range. It's higher than United States producers charged before the strike started, but still way less than foreign producers are charging now."

An official of another copper company said that copper prices probably would balance below 50 cents a pound once the strike was settled and production achieved a normal level.

The action by Copper Range was the highlight in a day of price movements. Coffee and zinc were marked higher and there were further adjustments in some grades of tool steel.

The Maxwell House division of the General Foods Corporation announced in White Plains, that it would increase the wholesale prices of its regular and instant coffees on Monday. The company attributed the action to higher costs of labor, packaging, transportation and and distribution.

Regular Maxwell House, Yuban and Sanka coffees will go up 2 cents a pound. Instant Maxwell House, Instant Yuban and Instant Sanka coffees will go up about 1 cent an ounce.

The AMAX lead and zinc division of American Metal Climax said it had added ¼ cent a pound, effective Feb. 1, to special high-grade and high-grade zinc. The new prices are 14.75 cents for special high-grade and 14.60 cents for high-grade.

March 7, 1968

Mr. Adolph H. Graetz
Sedren, S.A.
& National Outlook Corporation
100 East 42nd Street
New York, N.Y. 10017

Dear Mr. Graetz:

Re: Shipment #55 - Haitian Concentrates

In reply to your letter of February 26th, please be advised that our position is still the same as set forth in our letter of February 14th.

Very truly yours,

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

Walter H. Knorr

WHK:sa

EXHIBIT 10E

[illegible] S. A.

Societe D'Exploitation Et De Developpement
Economique Et Naturel D'Haiti (Sedren), S.A.
P. O. Box 515 Port-au-Prince, Haiti

Page 1

DATE: 12-20-67 INVOICE NO.: 1028

Continental Copper & Steel
Industries, Inc.
100 East 42nd Street
New York, N. Y. 10017

DELIVERY: CIF YOKOHAMA, JAPAN

TERMS: NET CASH

FINAL ACCOUNTING

CONTRACT NO.	SHIPMENT NO.	VESSEL	ARRIVAL DATE
1167	55	S. S. EL SALVADOR MARU	9-11-67

FROM GONAIVES, HAITI TO YOKOHAMA, JAPAN

MARKS AND NUMBERS	DESCRIPTION	WEIGHT	PRICE	TOTAL
			Sept. 1967	
	COPPER CONCENTRATES IN BULK			
	Weighing Wet:	1,012.945 LTW	1078 ST	
	Dry:	977.853 MTD		
	=	2,155,775 lbs.		
AYMENTS:	Copper:			
	Total Cu content:	302.046 MTD	30.889%	
	=	665,891 lbs.		
	Less: 1 unit:	21,558 "		
		644,333 lbs.		
	@ average of four prices		42.587¢/lb.	
	Less:		2.500	
			41.087¢/lb.	$ 264,737.10
	Silver:			
	Total Ag content:	180,802 gms.		
	=	5,812.91 ozs.	≈ 5.392 ozs/ST	
	Less: 1 oz./MT	977.85		
		4,835.06 ozs.		
	@ Handy & Harman quotation		167.950¢/oz.	
	Less:		.600	
			167.350¢/oz.	8,091.47
	Gold:			
	Total Au content:	28,799 gms.	= 925.908 ozs	≈ .859 ozs/ST
	Loss: 1 gm./MT	978		
		27,821 gms.		
	=	894.465 ozs.		
	@ U. S. Mint buying rate		$34.9125/oz.	31,228.01
	carried forward			$ 304,056.58

4847

19

EXH... 11A

Sedren S. A.

CABLES: SEDREN PORT-AU-PRINCE

Societe D'Exploitation Et De Developpement
Economique Et Naturel D'Haiti (Sedren), S.A.
P. O. Box 515 Port-au-Prince, Haiti

Page 1

DATE: 1-30-68 INVOICE NO.: 1029

Continental Copper & Steel
Industries, Inc.
100 East 42nd Street
New York, N Y 10017

DELIVERY: CIF YOKOHAMA, JAPAN

TERMS: NET CASH

FINAL ACCOUNTING

M CONTRACT NO.	SHIPMENT NO.	VESSEL	ARRIVAL DATE
1167	56	S. S. Honduras Maru	11/8/67

IPPED FROM	TO
GONAIVES, HAITI	YOKOHAMA, JAPAN

NITS AND MARKINGS	DESCRIPTION	WEIGHT	PRICE	TOTAL
			November 1967	
	COPPER CONCENTRATES IN BULK			
	Weighing Wet:	1,347.664 LTW	1423 STD	
	Dry:	1,291.156 MTD		
	=	2,846,483 lbs.		
PAYMENTS:	Copper:			
	Total Cu content:	409.588 MTD	31.720%	
	=	902,912 lbs.		
	Less: 1 unit	28,465 "		
		874,447 lbs.		
	@ average of four prices		48.509¢/lb.	
	Less:		2.500	
			46.009¢/lb	$ 402,324.32
	Silver:			
	Total Ag content:	250,765 gms.		
	=	8,062.27 ozs.	≈ 5.666 ozs/ST	
	Less: 1 oz./MT	1,291.16		
		6,771.11 ozs.		
	@ Handy & Harman quotation		195.320¢/oz.	
	Less:		.600	
			194.720¢/oz.	13,184.71
	Gold:			
	Total Au content	36,970 gms.	= 1,188.612 ozs	≈ .835 ozs/ST
	Less: 1 gm./MT	1,291		
		35,679 gms.		
	=	1,147.105 ozs.		
	@ U. S. Mint buying rate		$34.9125/oz.	40,048.30
	carried forward			$ 455,557.33

20

11B

S. A.

Page 1

Societe D'Exploitation Et De Developpement Economique Et Naturel D'Haiti (Sedren), S.A.
P. O. Box 515 Port-au-Prince, Haiti

Continental Copper & Steel Industries, Inc.
100 East 42nd Street
New York, N. Y. 10017

DATED 5-2-68 INVOICE NO. 1030

DELIVERY: CIF YOKOHAMA, JAPAN

TERMS: NET CASH

FINAL ACCOUNTING

	SHIPMENT NO.	VESSEL	ARRIVAL DATE
1967	57	S.S. TAIYU MARU	2-3-68

GONAIVES, HAITI — YOKOHAMA, JAPAN

NO MARGINAL	DESCRIPTION	WEIGHT	PRICE	TOTAL
			Feb. 1968	
	COPPER CONCENTRATES IN BULK			
	Weighing Wet:	1,212.569 LTN		
	Dry:	1,151.520 MTD	1.269 ST	
		2,538,641 lbs.		
PAYMENTS:	Copper:			
	Total Cu content:	380.441 MTD		
		838,720 lbs.	33.038%	
	Less: 1 unit:	25,386 "		
		813,334 lbs.		
	@ average of four prices		54.242¢/lb.	
	Less:		2.500	
			51.742¢/lb.	$ 420,835.23
	Silver:			
	Total Ag content:	264,690 gms.		
		8,633.57 ozs.	6.801 ozs/ST	
	Less: 1 oz/MT	1,151.52		
		7,437.05 ozs.		
	@ Handy & Harman quotation		185.474¢/oz	
	Less:		.600	
			184.874¢/oz	13,841.61
	Gold:			
	Total Au content:	35,313 gms.	1,135338oz	.895oz/ST
	Less: 1 gm/MT	1,152		
		34,161 gms.		
		1,098.300 ozs.		
	@ U. S. Mint buying rate		$34.9125/oz	38,344.46
	carried forward			$ 473,021.29

Consolidated Halliwell Limited

(No Personal Liability)

and its consolidated subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 1967

1. BASIS OF CONSOLIDATION:

The accounts of the company's wholly-owned subsidiary, Societe d'Exploitation et de Developpement Economique et Naturel D'Haiti (Sedren), S.A. (incorporated under the laws of the Republic of Haiti), have been consolidated herein.

The cost of the company's investment in Sedren exceeds the value of the shares issued, according to the books of the subsidiary, by $822,315. As at January 1, 1966 the company commenced amortization of the excess at a rate of 25% per annum on a straight line basis.

The accounts of Sedren are maintained in U.S. dollars. Current assets and liabilities and major replacement parts and slow moving items of the subsidiary have been converted into Canadian funds at the prevailing rate of exchange at the balance sheet date; all other assets and liabilities have been translated at par.

The company holds a 97% interest in Compagnie Nationale d'Exploration S.A., (C.N.E.S.A.) a company incorporated under the laws of the Republic of Haiti. The accounts of this subsidiary which holds a mining concession in Northern Haiti have not been consolidated since the company is in the exploratory stage.

The vendor of the concession, who retains a 3% interest therein, has taken legal action to have the vending agreement rescinded. The company does not consider the vendor's claim valid and does not anticipate that any liability will arise therefrom.

2. MINING CONCESSION:

By agreement dated April 29, 1955, the Government of the Republic of Haiti granted to Sedren the right to exploit for a period of twenty-five years, renewable under certain conditions for an additional twenty-five years, certain copper-bearing properties located in the Terre Neuve Area of Haiti. The agreement provides for the payment of a royalty to the Government of 6% of net smelter returns, and of an annual tax.

3. AMORTIZATION AND DEPRECIATION POLICY:

Amortization of exploration, development and administrative expenditures at 20% and depreciation of fixed assets at rates varying from 5% to 33⅓% are calculated on the diminishing balance basis. If amortization and depreciation were related to copper produced to date and to the estimated copper content of the indicated ore reserves, the unamortized balance of fixed assets, deferred charges and excess of cost of shares in subsidiary over book value at date of acquisition would be approximately $3,100,000 less than the aggregate value shown by the balance sheet.

4. REORGANIZATION OF COMPANY:

By agreements dated March 15, 1968, the company, the debentureholders, Continental Copper & Steel Industries, Inc. and certain shareholders have agreed to a reorganization of the company's affairs as set out following and subject to:

1. approval of the shazeholders of the company
2. issuance of supplementary letters patent increasing the authorized capital of the company from $12,000,000 to $17,000,000 divided into shares of par value $1 each
3. acceptance for filing by the Toronto Stock Exchange of a filing statement reflecting the agreements
4. obtaining a ruling under the Securities Act, 1966 (Ontario) that the shares issued to the debentureholders will not constitute primary distribution as defined in the Act
5. authorization of the Office of Foreign Direct Investments, Department of Commerce, Washington for the guarantee of bank loan by Continental.

TERMINATION OF COPPER PURCHASE AGREEMENTS:

Continental has agreed to terminate March 31, 1968 various agreements by which the company, together with Sedren, contracted to sell to Continental 80,000,000 pounds of copper. The company

(Continued)

487A

EXHIBIT 12

Consolidated Halliwell Limited

(No Personal Liability)

and its consolidated subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

TERMINATION OF COPPER PURCHASE AGREEMENTS (Continued)

is obligated to pay to Continental liquidated damages of U.S. $323,868 being equal to the discounts to which Continental would have become entitled in respect of the undelivered 16,193,106 pounds of the 80,000,000 pounds required to be delivered under the copper purchase agreements.

The company will issue to Continental 359,100 shares of its capital stock in full settlement of the liquidated damages of U.S. $323,868.

SETTLEMENT OF DISCOUNT DUE CONTINENTAL:

Continental has agreed to defer the discount on copper purchased due them at March 31, 1968 of U.S. $109,836. This amount will be payable in quarterly instalments of U.S. $10,000 commencing January 1, 1969 and the balance on or before July 1, 1970. Continental may convert on or before May 1, 1970 all or any part of the unpaid portion into shares of Halliwell at a price of Cdn. $1.25 per share.

DEFERMENT OF MORTGAGE OBLIGATION:

Continental has agreed to defer payment of the 6% mortgage due June 29, 1967 in the principal amount of U.S. $250,000 and interest accrued and unpaid thereon at March 31, 1968 of U.S. $76,344. The balance will be payable with interest at 6% in semi-annual instalments of U.S. $50,000 commencing January 1, 1969 and the balance on or before July 1, 1971 with payments applied firstly on account of interest.

ADDITIONAL WORKING CAPITAL:

Continental and certain shareholders have agreed to provide the company with new working capital by guaranteeing a bank loan of Halliwell for U.S. $300,000. In consideration therefor, Halliwell will issue to the guarantors 150,000 shares of its capital stock.

SETTLEMENT OF DEBENTURES:

As at March 31, 1968 the company is in default on the $2,907,000 principal amount of debentures outstanding and accrued interest thereon at that date of $670,920 aggregating $3,577,920. The debentureholders have agreed to accept 1,374,285 shares of Halliwell in full settlement of the debentures and accrued interest thereon at March 31, 1968.

5. CURRENT LIABILITIES:

If the reorganization of the company (see note 4) is not approved, all of the non-current liabilities amounting to $3,960,013 at December 31, 1967 become due and payable immediately.

6. CONTINGENT LIABILITY:

Sedren is contingently liable for severance allowances which under Haitian law are payable to any employee discharged after three months or more of service. No provision has been made by the company for possible severance payments. The company follows the policy of meeting these obligations as they materialize, charging such payments to expense when made.

7. COMPARATIVE FIGURES:

The 1966 figures have been reclassified on the basis of presentation used for 1967.

8. OTHER INFORMATION:

Direct remuneration of directors and senior officers (as defined by The Corporations Act, Ontario) amounted to $31,372 for the year.

9. OTHER INCOME:

Other income in 1966 includes $117,000 relating to an insurance claim in connection with a flash flood and fire.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.

Petitioner,

-against-

LA SOCIETE D'EXPLOITATION ET DE DEVELOPMENT ECONOMIQUE ET NATUREL D'HAITI (SEDREN) S.A.,

Respondent.

Index No. 1969

AFFIDAVIT OF SERVICE BY MAIL

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

DANIEL GALANDAK, being duly sworn, deposes and says that he is over the age of 21 years; that he resides at 185 Sterling Place, Brooklyn, New York; that on the 10th day of February, 1969, he served the within Notice of Petition and Petition for Stay of Arbitration upon the respondent herein and its attorneys by registering and depositing and delivering/3 copies thereof at the Registry in the Grand Central Annex of the United States Post Office at Lexington Avenue and 44th Street, in the Borough of Manhattan, City, County and State of New York, on the said date, each such copy respectively addressed as follows:

La Societe D'Exploitation Et De
Development Economique Et Naturel
D'Haiti (Sedren) S.A.
c/o National Outlook Corporation
100 East 42nd Street
New York, New York 10017

La Societe D'Exploitation Et De
Development Economique Et Naturel
D'Haiti (Sedren) S.A.
P.O. Box 515
Port-au-Prince
Haiti

23

Lowenthal, Landau, Fischer & Weisinger, Esquires
250 Park Avenue
New York, New York 10017

489A

Each said copy was securely wrapped in a post-paid envelope, correctly addressed as aforesaid, and was duly registered in the said Registry, return receipt requested, as evidenced by 3 respective receipts of the said Registry bearing registered numbers 368893, 368894 and 368895.

Deponent further says that the said Lowenthal, Landau, Fischer & Weisinger are the attorneys for the respondent herein, and that the address set forth above and upon the said wrapper is the office and post office address designated by the said attorneys for the receipt of mail.

Daniel Galandak
Daniel Galandak

Sworn to before me this
11th day of February, 1969

Salina M Caley

SALINA M. CALEY
NOTARY PUBLIC State of New York
No. 31-0[illegible]
Qualified in New York County
Commission Expires March 30, 1970

REGISTERED NO. [illegible]

POSTMARK OF

Value $		Special Delivery $	
Rec. Fee $	11	Return Receipt $	10
Handling Charge $		Restricted Delivery $	
Postage $	10	☐ AIRMAIL	

POSTMASTER (By)

MAILING OFFICE

FROM [illegible]

ZIP CODE

TO [illegible]

ZIP CODE

POD Form 3806, Feb. 1968 RECEIPT FOR REGISTERED MAIL

REGISTERED NO. [illegible]

POSTMARK OF

Value $		Special Delivery $	
Rec. Fee $	11	Return Receipt $	10
Handling Charge $		Restricted Delivery $	
Postage $	[illegible]	☐ AIRMAIL	

POSTMASTER (By)

MAILING OFFICE

FROM [illegible]

ZIP CODE

TO [illegible]

ZIP CODE

POD Form 3806, Feb. 1968 RECEIPT FOR REGISTERED MAIL

REGISTERED NO. [illegible]

POSTMARK OF

Value $		Special Delivery $	
Rec. Fee $	11	Return Receipt $	10
Handling Charge $		Restricted Delivery $	
Postage $	[illegible]	☐ AIRMAIL	

POSTMASTER (By)

MAILING OFFICE

FROM [illegible]

ZIP CODE

TO [illegible]

ZIP CODE

POD Form 3806, Feb. 1968 RECEIPT FOR REGISTERED MAIL

"DEFENDANTS' EXHIBIT U IN EVIDENCE"

At a Special Term, Part I, of the Supreme Court of the State of New York, held in and for the County of New York, at the County Court House, 60 Centre Street, Borough of Manhattan, City, County and State of New York, on the 7 day of November, 1969

P R E S E N T :

HONORABLE ISIDORE DOLLINGER,

Justice.

- X

CONTINENTAL COPPER & STEEL INDUSTRIES, INC.,

Petitioner,

-against-

LA SOCIETE D'EXPLOITATION ET DE DEVELOPMENT ECONOMIQUE ET NATUREL D'HAITI (SEDREN) S.A.,

Respondent.

Index No. 02169-1969

ORDER

- X

The petitioner having applied for an order pursuant to CPLR 7503 (b) and (c) staying the attempted arbitration sought in the demand for arbitration and notice of intention to arbitrate, dated January 30, 1969 and served upon the petitioner by the respondent in attempted arbitration proceedings before the Commercial Arbitration Tribunal of the American Arbitration Association at its New York Regional Office, upon the ground that the agreement of arbitration contained in the agreement between the parties dated July 1, 1964, as amended January 1, 1967, and as further amended by a settlement agreement between the parties as of March 19, 1969, as further amended by an

492A

e person mentioned and described in said papers as the
day of 19

therein.

agreement of May 8, 1968 had not been complied with and is not in full force or effect and that there is no bona fide dispute between the parties, and granting such other further and different relief as may be just and proper in the premises, and the said application having regularly come on to be heard,

NOW, upon reading and filing the notice of petition to stay arbitration dated February 10, 1969, the petition of Continental Copper & Steel Industries, Inc. by Thomas J. Kennedy, its vice-president, dated and duly verified on February 10, 1969, and the exhibits thereto annexed, all with due proof of service thereof by the petitioner upon the respondent and the respondent's attorneys appearing before the American Arbitration Association at its New York Regional Office in the said attempted arbitration proceeding and upon the said demand for arbitration and notice of intention to arbitrate dated January 30, 1969, in support of the application, and no answer or responsive pleading having been served or filed herein by the respondent, and upon hearing Gordon, Brady, Keller & Ballen in support of the application, and no one appearing in opposition thereto, and the said application having been granted on default, it is, upon motion of Gordon, Brady, Keller & Ballen, attorneys for the petitioner,

ORDERED AND ADJUDGED, that the application be and the same hereby is in all respects granted; and it is further

ORDERED AND ADJUDGED, that the attempted arbitration between the parties hereto sought to be had in the

493A

e person mentioned and described in said papers as the
day of 19

demand for arbitration and notice of intention to arbitrate dated January 30, 1969 and served by the respondent upon the petitioner in attempted arbitration proceedings before the Commercial Arbitration Tribunal of the American Arbitration Association at its New York Regional Office, be and hereby is forever stayed; and it is further

ORDERED AND ADJUDGED, that the said demand for the arbitration and notice of intention to arbitrate be and hereby are vacated.

ENTER

J.S.C.

STATE OF NEW YORK, COUNTY OF NEW YORK } SS.:
I, NORMAN GODDMAN, COUNTY CLERK AND CLERK OF THE SUPREME COURT, NEW YORK COUNTY
DO HEREBY CERTIFY THAT I HAVE COMPARED THIS COPY WITH THE ORIGINAL
FILED IN MY OFFICE ON Nov 10, 1969 AND THAT THE SAME IS A
CORRECT TRANSCRIPT THEREFROM AND OF THE WHOLE OF SUCH ORIGINAL.
IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED MY OFFICIAL SEAL.
SEP 16 1975
COUNTY CLERK AND CLERK OF THE SUPREME COURT, NEW YORK COUNTY.
FACSIMILE SIGNATURE USED PURSUANT TO SEC. 903, COUNTY LAW.
FEE PAID $4.00
No. 031784

494A

e person mentioned and described in said papers as the therein.
day of 19

"DEFENDANTS' EXHIBIT V IN EVIDENCE"

CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

495A

Adjourned Meeting of Directors

MINUTES of an Adjourned Meeting of the Board of Directors of CONSOLIDATED HALLIWELL LIMITED (No Personal Liability) held at the offices of National Outlook Corporation, 100 East 42nd Street, New York, New York, on Wednesday, December 14, 1966, convened at the hour of 10:45 o'clock in the forenoon (New York time).

REPRESENTATION

There were present:

R. D. Bell
Murray Cooper
Fraser M. Fell
Mortimor S. Gordon
Adolph H. Graetz
Harry Harris
Walter H. Knorr
S. Underleider
Arthur Wheeler

being a quorum of the Board of Directors.

FORMALITIES

The Chairman of the Board, Mr. Harry Harris, presided at the meeting and the Secretary-Treasurer, Mr. R. D. Bell, acted as Secretary and took the minutes.

A quorum of the Directors being present and this meeting having been reconvened by the Chairman of the Board as a continuation of the meeting of the Board held on December 6, 1966, the Chairman declared this adjourned meeting regularly constituted for the transaction of business.

ADOPTION OF MINUTES

The Secretary read to the meeting the minutes of the meeting of the Board of Directors held on September 21, 1966.

Mr. Mortimor S. Gordon referred to the resolution authorizing "the shares of C.N.E.S.A. be deposited with Guaranty Trust Company of Canada, Toronto, Ontario, in accordance with the Trust Deed dated June 1, 1956, as amended, and that the appropriate amendment to the Trust Deed be prepared by the Company's solicitors in order to implement the terms of the Cerro Corporation agreement". He stated that the shares of C.N.E.S.A. owned by the Company should not be deposited with the Trustee until other matters affecting the Company have been clarified.

Company and Cerro Corporation dated October 17, 1966, be and the same is hereby approved, ratified and confirmed.

LOST SHARE CERTIFICATES

The Secretary tabled correspondence relative to the loss of three certificates for shares in the capital stock of the Company and advised that the solicitors of the Company were of the opinion that the Company was sufficiently protected to authorize the issuance of replacement certificates. UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that Eastern & Chartered Trust Company, the registrar and transfer agent for shares of the Company, be and they are hereby authorized and instructed to issue new certificates for shares of the Company's capital stock to replace the following certificates reported as being lost:

Cert. No. NT53153 - 500 shares registered Richard Fuchs

" " NT50994 - 100 shares registered John J. Short

" " NT46265 - 500 shares registered Frank Tumillo

SEDREN, S.A.

Financial Position

Mr. Walter H. Knorr then presented to the meeting a cash flow of Sedren, S.A., for the period from December 1, 1966 to June 30, 1967, a copy of which is appended as Schedule "B" to these minutes. Mr. Gordon asked what price was used for the production of copper subsequent to December 31, 1966. Mr. Knorr replied that a price of 48¢ per pound of copper was used. Mr. Gordon then stated that the cash flow had no meaning because Sedren would not receive this price for copper after December 31, 1966. He stated that Continental Copper & Steel Industries, Inc., was going to insist on the delivery of wire bars effective January 1, 1967, in accordance with the contract dated April 1, 1959, as amended.

Technical Operations

The President, Mr. Cooper, advised the meeting that the production target set for the Sedren operation was 600,000 pounds of copper per month. He stated that the operation was continually being interrupted by power failures. He also stated that he had sent Mr. C. R. Leslie, a well known Canadian mechanical and electrical engineer, to Haiti to assess the power situation and that he had now received his

drift had been turned to the west to follow this fault to the limestone. He read to the meeting portions of a report by Mr. J. M. Bracken, Sedren's new Mine Manager, dated December 5, 1966, a copy of which appears as Schedule "D" to these minutes. This report indicated that the significance of this fault was unknown but movement appears to have been great. The Chairman stated that drifting and diamond drilling would have to be completed to try to locate the contact, and that it would probably be a few months before the significance of the fault could be determined.

INSURANCE CLAIMS

Mr. Knorr reported that insurance claims amounting to $135,000.00 covering the fire in the power house in August had been filed and that a meeting had been arranged with the Insurers for next week. He was hopeful that an advance payment of approximately $75,000.00 against the claims would be forthcoming from the Insurers in the near future.

PAYMENT OF DEBENTURE INTEREST

Mr. Gordon stated that the debenture interest payment which was due on December 1st should be paid immediately. Mr. Graetz advised the meeting that if the minimum payment of interest is to be made, the Company, pursuant to an agreement with the debentureholders, will have to redeem approximately $70,000.00 of its outstanding debentures. Mr. Gordon reported that Continental Copper & Steel Industries, Inc. will provide the Company with sufficient funds to maintain the requirements of the Trust Deed. He also stated that Consolidated Mogul Mines Limited had shown no interest in attempting to remedy certain outstanding matters concerning the Company and Sedren and he intends to relegate Consolidated Mogul to a creditor position. It was decided to defer redemption of the required debentures until the advance had been received from the Insurers for the fire loss experienced in August.

CONCENTRATE SALE AGREEMENT AND STATUS OF AGREEMENT DATED APRIL 1, 1959, AS AMENDED, MADE BETWEEN CONTINENTAL COPPER & STEEL INDUSTRIES, INC.(C.C.S.), SEDREN, S.A., AND THE COMPANY

Mr. Gordon demanded that the agreement with C.C.S. dated April 1, 1959, as amended, be lived up to and that electrolytic copper wire bars be delivered to C.C.S. subsequent to December 31, 1966 as

required by the said agreement. He stated that this was not a conflict of interest in his position as a Director of the Company, since C.C.S. had assisted the Company financially every time funds were required for its operations. He stated that C.C.S. would not give the Company financial assistance in the future for the benefit of the Company's debentureholders. C.C.S. will provide the required money to keep the Trust Deed in good standing and such money will be supplied on a long term basis.

Mr. Gordon stated that the Company's debentures were valueless unless C.C.S. waived delivery of wire bars as required by the April 1, 1959 agreement, as amended, and C.C.S. would not yield its rights for the benefit of Consolidated Mogul Mines Limited (Mogul). He also stated that any money required for operations will be loaned to Sedren, S.A., and C.C.S. will take a senior position to the Company's debentureholders. He discussed the possibility of challenging the validity of the issue of the Company's debentures and suggested that the Company should get a legal opinion on this question.

The Chairman advised the meeting that a new concentrate sales agreement must be negotiated to cover Sedren's production subsequent to December 31, 1966. Mr. Gordon stated that C.C.S. had no interest in the concentrates produced by Sedren but reiterated that C.C.S. will insist on delivery of copper wire bars as required by its agreement.

Mr. Gordon stated that no concessions would be given by C.C.S. because he was not going to put himself into the position of being sued by one of C.C.S.'s shareholders. He would not consider taking money out of C.C.S. to pay Mogul. Funds required will be loaned to Sedren on a senior basis and the Company's debentureholders will be put into the position of an unsecured creditor.

Mr. Graetz stated that the Directors of the Company should know that if C.C.S. insists on delivery of copper at the E. & M.J. domestic price Sedren will become insolvent. He insisted that the Directors should know the facts. Mr. Gordon stated that Sedren could make money at the E. & M.J. domestic price for copper; if not, C.C.S. will defer payment of its discount on a long term basis and provide Sedren with funds which will enable it to operate on a break even basis.

There followed a lengthy discussion between Mr. Gordon and

Mr. Bell concerning the respective positions of C.C.S. and Mogul and the possibility of Sedren making money at the E. & M.J. domestic price for copper. Mr. Bell stated that this meeting should not be the place to discuss differences between C.C.S. and Mogul but that the meeting should assess the position of the Company and Sedren as a result of C.C.S.'s demand for the delivery of copper wire bars. He stated that this was a serious matter and that the Directors should all be aware of the resulting consequences.

Mr. Bell reported that yesterday Mogul had conveyed to Mr. Graetz a proposal which it considered a fair solution to the situation which now faces the Company and Sedren and which would be in the best interests of the debentureholders and shareholders of the Company. Mr. Gordon asked Mr. Graetz to read this proposal to the meeting. Mr. Graetz reported to the meeting that Mr. Pattison, an official of Mogul, had telephoned him yesterday and offered the following proposal:

1. Sedren should enter into a one year concentrate sales agreement with C.C.S. at a price to be the L.M.E. price less 20% of the difference between such price and the E. & M.J. export price when the L.M.E. price exceeds the E. & M.J. export price.

2. C.C.S. to have right of first refusal to buy concentrates on a competitive basis so long as debentures are outstanding.

3. C.C.S. to waive delivery of substitute copper.

4. Sedren to continue to pay out of production to C.C.S. the rate of discount now provided plus an additional discount at the rate of 1/20¢ per pound of copper produced for each 1¢ difference between 38¢ and the E. & M.J. export price for copper when such price is greater than 38¢ per pound of copper until the full 80,000,000 pounds are delivered to C.C.S. by Sedren.

5. Debentureholders would agree:

   (a) that Sedren can spend a maximum of $125,000.00 per year in mine development;

   (b) to sinking fund for retirement of debentures of 75% of annual net profits after providing working capital of $250,000.00.

6. At the end of 1969 situation would be reviewed and debentureholders would give consideration to consenting to extension of maturity date of debentures at that time.

Mr. Gordon stated that this proposal was ridiculous because C.C.S. was being asked to waive delivery of wire bars and give up its rights under the 1959 agreement now and the debentureholders will then wait until 1969 to consider an extension of the maturity date of their debentures. Mr. Bell defended the proposal because it gives C.C.S. additional consideration for waiving delivery of wire bars and would allow the affairs of Sedren to be run on a business-like basis. He stated that it was his opinion that Sedren was now in a deficit working capital position and that C.C.S.'s demand for delivery of wire bars at the domestic price for copper would render Sedren and the Company insolvent. Further discussions concerning the proposal ensued.

Mr. Bell then asked Mr. Gordon what C.C.S. would be prepared to do if the debentureholders agreed to make a firm undertaking to extend their debentures prior to their maturity on May 31, 1970. Mr. Gordon stated in consideration for a ten year extension of the debentures C.C.S. would insist on the following conditions before it would consider waiving delivery of wire bars:

1. A price formula for the sale of Sedren's concentrates which would be realistic. The formula would take into consideration the E. & M.J. domestic and export prices and possibly the L.M.E. price.

2. Out of the money made available by such a pricing arrangement certain funds would be set aside for mine development and would not be used for any other purpose. As an example he stated that if Sedren received 42¢ per pound on a realistic pricing basis as compared to the domestic price of 36¢, the difference of 6¢ would be divided so that 3¢ would be used for mine development and for no other purpose and the balance of 3¢ per pound would be available for operational purposes and the eventual redemption of debentures.

3. A life of the mine contract.

As an alternative Sedren could pay C.C.S. liquidated damages of approximately 2¢ per pound payable on satisfactory credit terms.

Mr. Bell stated that Counsel for the Company should prepare an opinion outlining the Company's position under the agreement dated April 1, 1959, as amended, and a copy of the said opinion should be forwarded to each Director as soon as possible.

CONCLUSION

There being no further business, UPON MOTION regularly made, seconded and unanimously carried, IT WAS DULY RESOLVED that this meeting be and is hereby concluded.

Chairman

Secretary

[illegible], S. A.

Cash flow - December 1966 to June 1967

		① 1966 December	② 1967 January	③ February
(A)	Cash on hand - beginning of period	75000	(13200)	73089
	RECEIPTS -			
(B)	Shipments - 90% Advance	#51 254800	#52 254800	#53 203800
	- Settlements	#47 (54000)	#48 22000	#49 50000
	Insurance Claims			100000 (C)
	Total Receipts	200800	276800	353800
	DISBURSEMENTS -			
	Haitian Operations	175000	175000	175000
	Exploration			
	Capital Assets	5000	5000	5000
	Royalties	12000	10511	(D)
	Royalties	12000	10511	(D)
	Audit			
	CCS-Discount			
	-Mortgage Interest			
	-Mortgage			
	Halliwell - Debenture Int.			
	- Expenses	15000		

SCHEDULE "B" to Minutes of the Adjourned Meeting of Directors held December 14, 1966.

12-2-66

March	April	May	June
241889	330889	380389	423889
#54 244000	#55 274000	#56 195000	#57 244000
#50 28000	#51 28000	#52 28000	#53 23000
272000	272000	223000	267000
175000	175000	175000	175000
5000	5000	5000	5000
(A)	(A)	(A)	(A)
	+000		
			120000
			65000
			250000

Audit			
CCS-Discount			
-Mortgage Interest			
-Mortgage			
Halliwell - Debenture Int.			
- Expenses	15000		
Loan Insurance			
IDASH Insurance			
General Insurance			5000
Year-end Bonus	8000		
Concession Tax			
Retirement of Halliwell Deb.			
Total Disbursements	289000	190511	185000
(A) Cash on hand - end of period	(13200)	73089	241889

(A) Does not include Haitian accounts

(B) Proposed Shipments - Nos 51+52 - 1000 LTN @ $283.12/LTN

No 53 - 800 LTN @ $283.12/LTN

Nos 54+55 - 1000 LTN @ $270.88/LTN

No 56 - 800 LTN " "

No 57 - 1000 LTN " "

Estimated Production - 1000 LTN PER MONTH EXCEPT IN FEBRUARY

(C) TOTAL CLAIMS FOR FLOOD & FIRE LOSSES

(D) SUBJECT TO NEGOTIATION WITH HAITI

(E) @ 48¢/LB. OF COPPER

(F) @ 46¢/LB. OF COPPER LESS 2¢ FOR

ectors held

503A

		4000		120000
				65000
				250000
		31000		
5000	3000	7000		
85000	183000	222000	180000	615000
41889	330889	380889	423889	75889

/LTW (E)

/LTW

LTW

(F)

FEBRUARY & MAY (800 LTW)

LOSSES ESTIMATED AT $135,000.

HAITIAN GOVERNMENT

2/ FOR INCREASED COST OF SHEETING & RAINING

"DEFENDANTS' EXHIBIT W IN EVIDENCE" 21

Fasken, Calvin, MacKenzie, Williston & Shenstone

Barristers, Solicitors, Notaries, Etc.

DX-93
For I.D.
6/27/71 WA

CABLE ADDRESS "FASKEN" TORONTO
WESTERN UNION 504A
TELEPHONE 364-2475
AREA CODE 416

36 TORONTO STREET
TORONTO 1, CANADA

D. R. MACKENZIE, Q.C.
J. D. ROBINSON
D. M. SUTHERLAND
R. M. ROBERTSON
G. B. WILSON
D. L. SHIERIFF
T. E. BROOKS
G. A. C. MARMEE
J. M. HOUGH
W. B. WILLISTON, Q.C.
F. H. FELL, Q.C.
H. W. MACDONELL
A. D. GIVENS
D. S. TYER
J. W. NUCKLE
W. A. KELLY
D. B. AFFLECK
R. B. KENNEDY
J. W. SWACKHAMER, Q.C.
J. D. TAYLOR
GEORGIA M. BERTLEY
F. D. GIBSON
G. A. ROLLS
JOHN SOPINKA
J. M. PORTER
W. C. GRAHAM
J. M. ROBINSON

December 16, 1966.

Mr. Murray Cooper,
President,
Consolidated Halliwell Limited,
Suite 715,
62 Richmond Street West,
Toronto 1, Ontario.

Dear Mr. Cooper:

At your request we have examined the following agreements entered into between Consolidated Halliwell Limited ("Halliwell"), La Societe D'Exploitation et de Development Economique et Natural d'Haiti (Sedren) S.A. ("Sedren") and Continental Copper & Steel Industries, Inc. ("Continental"):

(a) An Agreement dated April 1, 1959 (the "Wire Bar Agreement") providing for the sale and delivery by Sedren to Continental of the first 80,000,000 pounds of copper metal recovered by Sedren from copper concentrates produced by Sedren;

(b) An Agreement dated July 1, 1964 (the "Wire Bar Extension Agreement") amending the Wire Bar Agreement, inter alia, by extending the period within which Sedren may deliver the said 80,000,000 pounds of wire bar to Continental without penalty; and

(c) An Agreement dated July 1, 1964 (the "Concentrate Agreement") providing for the sale by Sedren to Continental of Sedren's entire production of concentrates during the period July 1, 1964 through December 31, 1966 in lieu of the delivery by Sedren to Continental of wire bar pursuant to the Wire Bar Agreement.

We understand that as of December 31, 1966, Sedren will have delivered to Continental approximately 60,000,000 pounds of wire bar and returnable copper produced in concentrates. You have requested our opinion as to the legal position of Halliwell and Sedren upon the termination of the Concentrate Agreement on December 31, 1966.

Mr. Murray Cooper December 16, 1966.

By the terms of the Wire Bar Agreement, Continental has agreed to purchase from Sedren and Sedren has agreed to sell to Continental the first 80,000,000 pounds of copper metal recovered by Sedren from copper concentrates produced by Sedren from the ores mined from the concession granted to Sedren by the government of the Republic of Haiti, all upon the terms set forth in the said agreement. The Wire Bar Agreement does not contain any provision setting forth the term or duration thereof other than paragraph 7 which reads as follows:

"7. Should Sedren fail to complete the delivery of the 80,000,000 pounds of copper to be delivered by it hereunder on or before June 30, 1964, Continental may, at its option, either terminate this agreement as to the undelivered portion thereof, or extend time to Sedren for making up the deficiency. Upon such termination Sedren shall become obligated to pay to Continental by way of liquidated damages and not as a penalty, a sum equal to the amount of the discount to which Continental would have become entitled in respect to the undelivered portion of the contract, had delivery been made, based on the average quoted price for the three months commencing July 1, 1964."

The Concentrate Agreement provides, inter alia, for the sale by Sedren to Continental of Sedren's total production of concentrates during the two and a half year period commencing July 1, 1964 and ending December 31, 1966, Sedren being relieved of its obligations to deliver wire bar under the Wire Bar Agreement during the term of the Concentrate Agreement. The Concentrate Agreement will terminate in accordance with its terms on December 31, 1966.

The recitals to the Wire Bar Extension Agreement refer to the Wire Bar Agreement "pursuant to which Continental agreed to purchase and Sedren agreed to sell and deliver by June 30, 1964 the first 80,000,000 pounds of copper metal recovered by Sedren." They also state that Sedren had delivered only approximately 38,556,000 pounds of copper by June 30, 1964.

Mr. Murray Cooper December 16, 1966.

The Wire Bar Extension Agreement provides that upon the termination of the Concentrate Agreement and provided Continental shall not have received a total of 80,000,000 pounds of wire bar and/or returnable copper produced in concentrates, Sedren shall resume monthly deliveries of wire bar pursuant to the Wire Bar Agreement as amended. Paragraph 7 of the Wire Bar Agreement as amended provides as follows:

"7. Should Sedren fail to deliver to Continental a total of eighty million pounds of wire bar and/or returnable copper produced in concentrates on or before December 31, 1966, Continental may, at its option, either terminate this agreement as to the undelivered portion thereof, or extend the time for Sedren to complete delivery. Upon such termination, if any, Sedren shall pay to Continental by way of liquidated damages and not as a penalty, a sum equal to the amount of the discounts to which Continental would have become entitled in respect to the undelivered portion of the contract, had delivery been made, based on the average quoted price for the three months commencing January 1, 1967. There shall be credited against the said eighty million pounds of returnable copper required to be delivered by Sedren under this agreement, as amended, the aggregate amount of returnable copper produced in concentrates and sold to Continental under the aforesaid agreement dated July 1, 1964."

It may be argued that the effect of paragraph 7 of the Wire Bar Agreement as amended by the Wire Bar Extension Agreement is to provide for the termination of the Wire Bar Agreement on December 31, 1966 in which event damages may be claimed or at the option of Continental, the agreement may be extended for a further period of time. In such event Sedren would be free to sell all future copper to whomever it desires.

It is our opinion, however, that the correct interpretation of the Wire Bar Agreement as amended by

Mr. Murray Cooper December 16, 1966.

the Wire Bar Extension Agreement is that Sedren has agreed to sell to Continental the first 80,000,000 pounds of copper metal with the proviso that if Sedren fails to complete deliveries on or before December 31, 1966 Continental may, at its option, terminate the agreement and claim damages or, in the alternative, extend the time within which it can enforce its rights to claim damages. On this interpretation, unless the Wire Bar Agreement as amended is terminated by Continental, it will continue in force until 80,000,000 pounds of copper metal are delivered, whenever that may occur.

In the event that Continental fails to either give notice of termination or agree to an extension of the time for delivery without damages, it is our opinion that Sedren should continue to make deliveries pursuant to the Wire Bar Agreement as amended, and Continental in those circumstances would be obliged to accept such deliveries. As time is of the essence of the Wire Bar Agreement as amended, Continental by refusing to exercise its election, could be held with the passage of time to have waived its right to claim damages. In other words, Continental must elect one way or the other or risk the loss of its right to terminate the agreement and claim damages.

In the event that Continental terminates the Wire Bar Agreement, as amended, pursuant to the provsions of paragraph 7, Sedren will become liable for damages in an amount which we understand will be in excess of $400,000. Halliwell, by virtue of paragraph 11 of the Wire Bar Agreement, has guaranteed performance by Sedren of its covenants, undertakings and agreements contained in the Wire Bar Agreement and the damages payable by Sedren would immediately impose a contingent liability on Halliwell. Under the laws of Ontario, the right to claim such damages against Halliwell would arise only after Continental had enforced its rights against Sedren. It should be noted, however, that the Wire Bar Agreement

Mr. Murray Cooper December 16, 1966.

is to be construed in accordance with and the rights of the parties thereto are to be governed by the laws of the State of New York.

As the shares of Halliwell are listed on the Toronto Stock Exchange, Halliwell will be obliged to disclose to the Exchange at the end of this year the termination of the Concentrate Agreement and the legal position of Halliwell and Sedren under the Wire Bar Agreement as amended, or risk delisting of its shares by the Exchange.

Yours truly,

FWE/kp

Fasken Calvin MacKenzie Williston & Strachan

"DEFENDANTS' EXHIBIT Y IN EVIDENCE"

DX-95

For I. D.

6/24/71 W. D.

509A

January 24,1967

F. M. Fell, Q.C.
Messrs. Fasken, Calvin, MacKenzie,
Williston & Swackhamer,
36 Toronto Street
Toronto 1, Canada.

Dear Fraser:

The following modifications of the existing CCS-Halliwell/Sedron contractual obligations have apparently been agreed upon, subject to the execution by the parties of the necessary documents.

The term of the July 1, 1964 amendment to the April 1959 agreement and the term of the July 1, 1964 concentrates agreement are to be extended until June 30, 1967, after which the performance of the parties shall be governed by the terms of the April 1, 1959 agreement unless CCS exercises its option under paragraph "7" of the April 1, 1959 agreement as amended.

The provision in the concentrates agreement relating to the deduction of treatment charges from the price of concentrates is to be changed to provide that the amount of the deduction for treatment charges shall be the amount of treatment charges paid by CCS, it being understood that the $5.50 treatment charge now set forth in the concentrates agreement will, in light of present market conditions, probably be increased.

All contracts are to be amended to substitute the amount of 83,000,000 pounds for the amount of 80,000,000 pounds wherever reference is made to the lesser amount in any of the above contracts. The only exception will be in paragraph "7" of the 1959 agreement as amended relating to the computation of liquidated damages which will continue on the basis of 80,000,000 pounds. All of the other terms of the agreements are to remain in full force and effect and

the respective Boards of Directors of all parties will reaffirm the validity and binding effect of all agreements and authorize the execution of the new modifications.

Upon receipt of your confirmation which you indicated over the telephone will be forthcoming, I will commence preparation of the modifications and will submit the same to you.

Kind regards,

Sincerely,

Herman Keller

HK:SC

"DEFENDANTS' EXHIBIT Z IN EVIDENCE"
D X 1 1
For I.D
10/20/71 W. L.

511A

Fasken, Calvin, MacKenzie, Williston & Shanahamer
Barristers, Solicitors, Notaries, Etc.

CABLE ADDRESS "FASKEN" TORONTO
WESTERN UNION CODE

TELEPHONE 364-2475
AREA CODE 416

36 TORONTO STREET
TORONTO 1, CANADA

B. R. MacKENZIE, Q.C.
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R. M. SUTHERLAND
R. N. SORENTSON
R. D. WILSON
R. L. SHIRRIFF
T. E. BROOKS
R. J. C. HARRIES
J. H. HOUGH

W. B. WILLISTON, Q.C.
F. M. FELL, Q.C.
H. W. MACDONELL
A. D. GIVENS
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J. W. HUCKLE
W. A. KELLY
D. S. AFFLECK
R. R. KENNEDY

J. W. SHANAHAMER, Q.C.
J. D. TAYLOR
GEORGIA M. BENTLEY
F. D. GIBSON
R. J. ROLLS
JOHN SOPINKA
J. H. PORTER
W. C. GRAHAM
J. M. ROBINSON

February 16, 1967.

Mr. Murray Cooper,
President,
Consolidated Halliwell Limited,
715 - 62 Richmond Street West,
Toronto 1, Ontario.

Dear Mr. Cooper:

This will refer to the two draft agreements dated as of January 1, 1967 prepared by Mr. Keller which purport to extend for a period of six months the contractual obligations which existed on December 31, 1966 between Halliwell, Sedren and C.C.S.

As the parties were unable to reach agreement on the terms of a new concentrate agreement, it was suggested by C.C.S. and agreed to in principle by the directors of Halliwell representing both National Outlook Corporation and the debenture holders that the existing agreements should be extended for a period of six months. It was considered that this extension would enable the repayment to C.C.S. of the balance of the Sedren mortgage indebtedness.

In confirming the terms of the proposed extension, Mr. Keller included in his letter addressed to the writer of January 24, the following provision:

> " All of the terms of the agreements are to remain in full force and effect and the respective boards of directors of all parties will reaffirm the validity and the binding effect of all agreements and authorize the execution of the new modifications.".

This provision was agreed to with some reluctance by Mr. Bell on behalf of the debenture holders in view of the argument suggested by counsel for the debenture holders that the original wire bar agreement was

void on the grounds of frustration. This argument was only one of a number of accusations made by both C.C.S. and the debenture holder interests when these parties could not reach agreement in January on the terms of a new concentrate agreement. In the absence of Mr. Knight, Mr. Bell orally agreed to the extension in the terms set forth in Mr. Keller's letter of January 24 and the writer informed Mr. Keller by telephone that the terms of his letter were acceptable. It was then agreed that Mr. Keller should proceed immediately with the preparation of the two extension agreements.

The agreements prepared by Mr. Keller extend the agreements between the parties which existed on December 31, 1966 with the modifications referred to in Mr. Keller's letter of January 24 and also provide as between the parties, that except as provided in the agreements as extended, "there are no claims, rights or liabilities existing in favour of one party against the others of any kind, nature or description and that there are no other agreements between the parties".

In this provision, Mr. Keller has endeavoured to protect C.C.S. against any claims, real or fictitious, which might be made by Halliwell upon the termination of the six month extension period. It is only natural that C.C.S. would like this protection. However, in their consent to a six month extension, the debenture holders certainly did not agree to give up any rights or claims which they or Halliwell might have against C.C.S. and wish to raise or enforce at the end of the six month extension period. The six month extension was a temporary compromise solution which would keep Sedren in operation and give both sides an opportunity to negotiate a permanent contract.

We suggest that this acknowledgement by the parties that there are no claims, rights or liabilities existing between them, except as set forth in the agreements which were extended, goes farther than was anticipated by Mr. Keller. It might also release Sedren from its obligation to repay its outstanding indebtedness to Halliwell which we understand exceeds $4,500,000. It might also

Mr. Murray Cooper February 16, 1967

release Sedren from its obligation to repay the balance of the C.C.S. mortgage.

We suggest that this particular provision be deleted from the agreements and that the parties simply confirm, ratify and approve the two agreements as modified and extended.

Yours very truly,

FASKEN, CALVIN, MacKENZIE,
WILLISTON & SWACKHAMER

Per

FMF:kp

"DEFENDANTS' EXHIBIT AA IN EVIDENCE"
For I.D. V.
10/20/71
W.S.

514A

Fasken, Calvin, MacKenzie, Williston & Swackhamer
Barristers, Solicitors, Notaries, Etc.

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TELEPHONE 364-2475
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J. B. ROBINSON — F. H. FELL, Q.C. — J. D. TAYLOR
R. N. SUTHERLAND — H. W. MACDONELL — GEORGIA M. BENTLEY
A. N. ROBERTSON — A. D. GIVENS — F. D. GIBSON
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R. L. SHIRRIFF — J. W. MUCKLE — JOHN SOPINKA
T. E. BROOKS — W. A. KELLY — J. H. PORTER
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A. M. ROUGH — R. R. RENWICK — J. H. ROBINSON

February 22, 1967.

File No.2339

Mr. Herman Keller,
Secretary,
Continental Copper & Steel Industries, Inc.,
100 East 42nd Street,
New York, N.Y. 10017,
U.S.A.

Dear Herman:

This will refer to the two draft agreements between Halliwell, Sedren and CCS both dated as of January 1, 1967 which purport to extend for a period of six months on a modified basis the contractual relations which existed between the parties on December 31, 1966.

As already reported to you verbally, the two agreements are satisfactory in form except for the provision in the last numbered paragraph of each agreement which states that except as set forth in the original agreements as modified and extended, there are no claims, rights or liabilities existing in favour of one party against the others of any kind, nature or description and that there are no other agreements among the parties.

When the parties were unable to reach agreement in January on the terms of a new concentrates agreement, it was suggested by CCS and on January 24 it was agreed to in principle by the directors of Halliwell representing both National Outlook and the debentureholders that the existing agreements should be extended for a period of six months. It was contemplated that this time would not only enable repayment of the CCS mortgage but also afford the parties an opportunity to negotiate a mutually satisfactory concentrates sales agreement. Notice of this six month extension and of the termination of the Cerro agreement was given to The Toronto Stock Exchange on January 25.

In your letter of January 24 confirming the terms of the proposed six months extension, which letter I received on January 26, you included the following provision:

" All of the terms of the agreements are to remain in full force and effect and the respective boards of directors of all parties will reaffirm the validity and the binding effect of all agreements and authorize the execution of the new modifications."

With some reluctance, the directors of Halliwell orally agreed to the stipulation that the agreements as modified and amended would be reaffirmed by the respective boards of directors and this advice was communicated to you by telephone. It was also arranged that you would prepare the two extension agreements.

In the two agreements, you have endeavoured to protect CCS against any claims, real or fictitious, which might be made by Halliwell on the termination of the six months extension period. It is only natural that CCS would like this protection, however, I respectfully suggest that this protection was not requested by CCS or agreed to by the other parties on January 24 and to my knowledge, no consent, express or implied, was given by the Halliwell directors to an extension on these terms. The six month extension was simply a temporary compromise solution which would keep Sedren in operation and give both sides an opportunity to negotiate.

I would also suggest that this waiver provision might also have ancillary effects detrimental to both CCS and Halliwell. Could it not be argued that it constitutes a release of Sedren from its obligation to repay its outstanding indebtedness to both CCS and Halliwell.

In view of the foregoing I respectfully suggest that the two draft agreements be amended by concluding the last numbered paragraph of each agreement immediately following the words "ratified and approved" and that subject to these amendments, the two agreements be entered into as soon as possible.

Yours very truly,

FMF:SM

(Fraser M. Fell)

"DEFENDANTS' EXHIBIT AB IN EVIDENCE"

DX-109
For I.D.
10/20/71 W.D.

NO LETTERHEAD

MEMORANDUM TO MURRAY COOPER

April 13, 1967

Subject:

Mr. Knight is not available until later this afternoon, but Mr. Bell would recommend the following to the Mogul Board and believes that Mr. Knight would join in the recommendations:

1. Mogul would sell or cause to be sold to Continental 40% of the outstanding Halliwell debentures for $1. The sale would involve $1,100,000 principle amount of debentures. If this were paid up and the capital gains tax of 25%, Continental would net $825,000 assuming 20,000,000 lbs of copper to be delivered under the 1959 contract and the profit to Continental for .5¢ per lb, then the profit to Continental would be $1,000,000 or $500,000 after taxes.

2. All outstanding Halliwell debentures would be redeemed pro rata including those held by National Outlook.

3. Sedren would appoint Continental agent to sell copper concentrates but the terms of this agency agreement must not be appreciably worse than an arm's length agreement with someone like W. R. Grace.

4. The 1959 contract would be terminated as of January 1, 1967.

5. Mogul has extensive other committments but would be willing at its election to do one of the following two things:

   a) As the holder of 60% of the remaining Halliwell debentures it would contribute up to $60,000 of any new monies required, but not a contribution of over $75,000; or

   b) It would sell an additional 5% of the Halliwell debentures for $1.

6. Any new monies to which Mogul contributed could not be used to pay up either the Sedren mortgage or to pay amounts presently owing to Continental

footnote:
No letter will be delivered to the T.S.E. until after 2 pm tomorrow.

Dictated by M. Cooper over telephone from Toronto 4/14/67

"DEFENDANTS' EXHIBIT AC IN EVIDENCE"

For I.D. 10/20/[illegible]

. 517A

CAMPBELL, GODFREY & LEWTAS

BARRISTERS & SOLICITORS

80 KING STREET WEST

TORONTO 1

CANADA

TELEPHONE 362-2401
AREA CODE 416
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JOHN A. WRIGHT
JOHN W. MACDONALD
ROBERT D. BURGESS
DONALD J. STEADMAN
IAN MacGREGOR
EDWARD A. TORY

COUNSEL
WILFRID W. PARRY, Q.C.

19th April, 1967.

Fraser M. Fell, Esq., Q.C.,
c/o Fasken, Calvin, MacKenzie, Williston & Swackhamer,
36 Toronto Street,
TORONTO, Ontario.

Re: Consolidated Halliwell Limited
Consolidated Mogul Mines Limited

Dear Mr. Fell:

You have a copy of the memorandum to Mr. Murray Cooper dated April 13, 1967 which indicates that Messrs. Bell and Knight would be willing to recommend to the Mogul board the sale to Continental Copper & Steel Industries, Inc. of debentures of Consolidated Halliwell if the agreement of April 1, 1959 between Consolidated Halliwell, Sedren and Continental Copper were terminated and if certain other things were done as set forth in the memorandum.

This memorandum was delivered to Mr. Cooper's office on April 13th. On Monday, April 17th, you called to inform me that the proposals set forth in the memorandum were acceptable to Continental Copper if Continental Copper could obtain a tax ruling, if the principal amount of debentures of Consolidated Halliwell to be sold were increased so that Mogul and its associated companies would only continue to hold 50% of the total outstanding principal amount of debentures, and if the maturity date of the debentures of Consolidated Halliwell were extended. I asked you to let me have a letter outlining these counterproposals so that I could deal with it.

Yesterday you asked me to redraft the proposal taking into account the counterproposals so that before anyone went to any substantial further trouble, we could be assured that we were all thinking of the same thing.

Enclosed is a memorandum which articulates what would be done if Continental Copper is agreeable and can get the appropriate tax ruling and if the Mogul board approves. It would be appreciated if you would pass this memorandum on to Continental Copper and perhaps also a copy of this letter. Mr. Bell and Mr. Knight have indi-

cated that they will be willing to recommend to the Mogul board what is set forth in the memorandum. They have assumed, however, that the matter has now reached the point where there is agreement in principle between the negotiating parties and all that we are now doing is clarifying the details and making sure there is no misunderstanding. Needless to say, once having accepted a counterproposal which they assume was made in good faith, they cannot be put into the position of bargaining further on matters of substance.

It would be appreciated if you would deal with this matter promptly, for reasons with which you are familiar.

Yours very truly,

D. G. C. Menzel.

DGCM:MS
encl.

For I.D. 10/20 1/W.S.

April 19, 1967.

519A

MEMORANDUM

Re: Continental Copper & Steel Industries, Inc. - Consolidated Halliwell Limited - Consolidated Mogul Mines Limited.

This memorandum sets forth the agreements reached between Continental Copper and Mogul arising out of a proposal made by Messrs. Bell and Knight of Mogul to Mr. Cooper and a counter proposal made through Mr. Fell. It is specifically understood that the agreements set forth below are subject to the approval of the Mogul board and the obtaining by Continental Copper of a favourable tax ruling.

1. There are presently outstanding debentures of Consolidated Halliwell issued pursuant to the trust indenture dated as of June 1, 1956 having an aggregate principal amount of $2,907,000. Of these outstanding Halliwell debentures Mogul holds $1,319,000 principal amount and National Outlook Corporation holds $150,000 principal amount. Mogul will sell for $1 to Continental Copper debentures of a principal amount of $1,303,500 to the end that Continental Copper and National Outlook will own 50% of the total outstanding debentures.

2. The trust indenture securing the Halliwell debentures will be further amended as follows:-

(1) All provisions mainly contained in supplemental indentures which are now unnecessary because of the lapse of time, will be deleted.

(2) The maximum principal amount of debentures which are issuable under it will be limited to the principal amount presently outstanding in the amount of $2,907,000 so that no further debentures can be issued.

(3) Section 3.02 will be amended to provide that in the case of a partial redemption of debentures, the debentures will be redeemed pro rata rather than by lot.

(4) Section 3.10 will be changed to provide that debentures cannot be purchased by Halliwell on the market or by private contract.

(5) Article IV will be amended to provide that all moneys received by Halliwell from Sedren left over after paying the expenses necessary to keep Halliwell in good standing under all relevant laws to maintain its corporate existence and so forth, will be used to redeem debentures. Halliwell should be entitled to maintain net current assets (to be defined) in the amount of not more than $50,000.

(6) Article VI will be amended to provide that Halliwell will cause Sedren to confine its operations to its present operations (which will include the making of exploration expenses within the present Sedren concession in an amount not exceeding say $50,000 annually and all development expenditures (even of an exploration nature) incurred at the mine in the ordinary course of operations); to pay off its liabilities; and to pay to Halliwell either by way of reduction of its indebtedness to Halliwell or by way of dividend all amounts in excess of what is necessary to maintain reasonable working capital all to the end that if Sedren operates profitably

4. Sedren will appoint Continental Copper as its agent to sell its copper concentrates but the terms of this agency agreement shall not be appreciably different from an arm's length agreement with someone like W. R. Grace. For greater certainty, if the benefits under any contract between Sedren and Continental Copper exceed what they would be under such an arm's length agreement, by an amount of more than 1/4% of net smelter return, then the agency agreement will be considered appreciably different.

5. The agreement dated April 1, 1959 between Halliwell, Sedren and Continental Copper will be terminated as of December 31, 1966. In addition all other agreements which modify or replace the same will be terminated.

6. Mogul will be given representation on the Halliwell board.

Notes:-

(a) As Mogul is selling more debentures than contemplated in the memorandum of April 13th, it would not contribute to any new moneys required by Sedren.

(b) If requested, services formerly rendered by Halliwell and Sedren under the auspices of Mogul would be continued on the same terms, conditions and understandings as existed prior to the resignations of Messrs. Bell and Knight from the Halliwell board.

DGCM:MS

"DEFENDANTS' EXHIBIT AD IN EVIDENCE"

DX 111-A
For I. D.
10/20/71 W.A.

522A

June 14, 1967.

File # 2339

PLEASE DELIVER

Mr. D. G. C. Menzel, Q.C.,
Messrs. Campbell, Godfrey & Lewtas,
Barristers and Solicitors,
80 King Street West,
Toronto 1, Ontario.

Dear Mr. Menzel:

Re: Consolidated Halliwell Limited

I enclose herewith a memorandum setting forth certain proposals made by Mr. Herman Keller on behalf of Continental Copper & Steel Industries, Inc. and concurred in by Mr. Mortimer Gordon. These proposals were transmitted to me through Mr. Cooper and were set down in writing by me in Mr. Cooper's presence. These proposals purport to be in reply to the suggestions made by you in your memorandum of April 19, 1967.

Yours very truly,

Fraser M. Fell

FMF:SM

Enc.

Ex III D
For I.D. 523A
10/20/71
W.S.

June 14, 1967.

Suggestions for Basis of Agreement
Re: Consolidated Halliwell Limited

1. All concentrate sales agreements to be terminated as of June 30, 1967. Production from and after July 1, 1967 to be sold by Sedren on such terms as Halliwell may see fit. This will enable Halliwell to obtain the best terms available for the sale of the Sedren concentrates.

2. The liquidated damages arising out of the 1959 contract to be determined as at June 30, 1967 and to be acknowledged by Sedren and Halliwell as owing to CCS without offset, counterbalance, etc. These damages are estimated at $380,000.

3. The following are conditions precedent to the foregoing:

(a) the sale by Mogul to CCS for $1.00 of $1,303,500. principal amount of Halliwell Debentures or, in the alternative, the surrender to Halliwell of Halliwell Debentures in this principal amount;

(b) the extension of the maturity of the Halliwell Debentures to May 31, 1975;

(c) the advance to Sedren by CCS, National Outlook and Mogul of $200,000. for working capital as follows:

CCS	$70,000
National Outlook	70,000
Mogul	60,000

Repayment of these advances to be made quarterly beginning with the quarter commencing September 1, 1967, the amount of each quarterly instalment to be equivalent to 10% of the estimated value of the concentrates shipped during such quarter;

(d) the payment by Sedren to CCS of interest on the CCS mortgage due June 29, 1967 in the amount of $65,000.

4. Repayment of the CCS mortgage in the principal amount of $250,000 and interest from and after June 30, 1967 to be paid following repayment of the new advances referred to above. Payment of this mortgage indebtedness to be made in quarterly instalments on the same basis.

5. Payment of the CCS liquidated damages, the CCS accrued discount estimated at $100,000 and the Debenture interest to commence following repayment of the advances referred to in item 3 above and retirement of the CCS mortgage referred to in item 4 and to be made in quarterly instalments on the same basis.

6. Principal and interest on the Halliwell Debentures to be subordinated in the event of insolvency, bankruptcy or liquidation to the CCS liquidated damages and accrued discount, otherwise the principal and interest on the Debentures to rank pari passu with the CCS liquidated damages and accrued discount.

DX-102-E 6/27/67 "DEFENDANTS EXHIBIT AE IN EVIDENCE"

525A

Fasken, Calvin, MacKenzie, Williston & Swackhamer
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JOHN SOFINKA
J. M. PORTER
W. C. GRAHAM
J. M. ROBINSON

June 23, 1967.

File # 2339

PLEASE DELIVER

Mr. Murray Cooper,
President,
Consolidated Halliwell Limited,
715 - 62 Richmond Street West,
Toronto 1, Ontario.

Dear Mr. Cooper:

Re: Consolidated Mogul Mines Limited

We enclose herewith copy of a letter from Messrs. Campbell, Godfrey & Lewtas dated June 20, 1967, which was delivered to our office yesterday afternoon. We also enclose copies of the enclosures referred to in the said letter and also in the letter of Campbell, Godfrey & Lewtas dated June 20, 1967 addressed to Mr.J.R. Kimber of The Toronto Stock Exchange. We are also forwarding a copy of this letter and of all of the enclosures to Mr. Graetz.

Yours very truly,

FASKEN, CALVIN, MACKENZIE,
WILLISTON & SWACKHAMER

Per: Fraser M. Fell

FMF:SM

Enc.

c.c. Mr. A. H. Graetz

DX 102-B
For I. D
6/26/7, WS

526A

CAMPBELL, GODFREY & LEWTAS

BARRISTERS & SOLICITORS

80 KING STREET WEST

TORONTO 1

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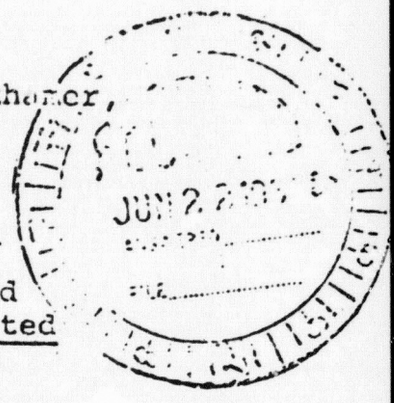
ROBERT B. RUDDESS
DONALD H. STEAUMAN
IAN MACGREGOR
EDWARD A. TORY

COUNSEL:
WILFRID W. PARRY, Q.C.

20th June, 1967.



Fasken, Calvin, MacKenzie, Williston & Swackhamer,
36 Toronto Street,
TORONTO, Ontario.

Attention: F. M. Fell, Esq., Q.C.

Re: Consolidated Halliwell Limited
Consolidated Mogul Mines Limited

Dear Sirs:

We acknowledge receipt of your Mr. Fell's letter of June 14th, 1967 and the enclosed memorandum also dated June 14th, 1967 and captioned "Suggestions for Basis of Agreement re: Consolidated Halliwell Limited".

As Mr. Cooper was told, the basis of the memorandum dated April 19, 1967 enclosed in the writer's letter to your Mr. Fell of the same date and setting forth the proposal made by our client, Consolidated Mogul, was that if such proposal were accepted, then Continental Copper and our client would have exactly the same interest with respect to Consolidated Halliwell. If the Sedren operation were successful, then neither Continental Copper nor our client would derive any benefit except through the pro rata redemption of Halliwell debentures. As a result, it would behoove Continental Copper and our client to co-operate diligently for their own best interests and for the best interests of the Halliwell shareholders. The counter suggestion set forth in the June 14th memorandum ignores this concept. Sedren is to continue to be operated for the benefit of Continental Copper until at the very least very substantial amounts are paid to Continental Copper. These amounts are so substantial as to make it a matter of indifference to Continental Copper whether our client transfers to it or surrenders for cancellation Halliwell debentures of a principal amount in excess of $1,300,000.

As indicated in the writer's letter to your Mr. Fell of 19th April, two memoranda were delivered to Mr. Cooper, the first dated April 13th and the second dated April 19th. The second memorandum was delivered only because we were informed that the proposals of the first memorandum were generally acceptable to Continental Copper subject to some specified modifications which were incorporated in the memorandum of April 19th. Under these circumstances, it is difficult for our client to believe that Continental Copper, by submitting its memo of June 14th, is negotiating in good faith.

Our client has asked us, therefore, to inform you that the counter proposal of June 14th is unacceptable to it.

On behalf of our client we hereby withdraw its proposal as enclosed in the letter of April 19th.

At the meeting of Halliwell held on April 12th at which your Mr. Fell and Messrs. Bell and Knight resigned as directors of Halliwell, the remaining directors purported to enter into an agreement with Continental Copper. There was no independent quorum of directors present and accordingly such agreement is void in its entirety. Our clients, Consolidated Mogul, Mr. Bell and Mr. Knight, hereby notify you as solicitors for Halliwell that as, if and when they may be advised so to do, they or one or more of them as shareholders of Halliwell, intend to take action to have the agreement in question set aside and to have Continental Copper account to Halliwell and/or Sedren for any profits.

For your information, we enclose herewith:

(a) copy of a letter we have today sent to the Toronto Stock Exchange; and

(b) copy of a letter dated 17th April, 1967 written by Mr. Bell to the Toronto Stock Exchange.

Yours truly,

CAMPBELL, GODFREY & LEWTAS

per: D. G. C. Menzel.

DGCM:MS
encls.

BEST COPY AVAILABLE

-D X 102-C
For I. D. 6/25/71 WS

528A

CAMPBELL, GODFREY & LEWTAS

BARRISTERS & SOLICITORS

80 KING STREET WEST

TORONTO 1

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IAN MacGREGOR
EDWARD A. TOAY

COUNSEL:
WILFRID W. PARRY, Q.C.

TELEPHONE 362-7401
AREA CODE 416
CABLE ADDRESS "ARNOLD" TORONTO

20th June, 1967.

DELIVERED

J. R. Kimber, Esq., Q.C.,
President,
The Toronto Stock Exchange,
234 Bay Street,
TORONTO, Ontario.

Re: Consolidated Halliwell Limited

Dear Mr. Kimber:

On April 12, 1967 Messrs. R. B. Bell, Fraser M. Fell and David Knight resigned as directors of Consolidated Halliwell Limited. Messrs. Bell and Knight believed that they had a duty to inform your exchange of the reasons for their resignation and accordingly Mr. Bell prepared and signed a letter to your exchange dated April 17, 1967. Immediately after the resignations and before the delivery of the aforementioned letter, Consolidated Mogul Mines Limited, a substantial debentureholder of Consolidated Halliwell, made an offer through Mr. Fell and Mr. Murray Cooper, the President of Consolidated Halliwell, which, if accepted, would have led to a happy result for the shareholders of Consolidated Halliwell. This offer is set forth in a letter dated 19th April, 1967 from the writer to Mr. Fell, and in a memorandum similarly dated. These negotiations have come to naught.

We now enclose:

(a) the original of Mr. Bell's letter to you of April 17th;

(b) a copy of the letter dated 19th April from the writer to Mr. Fell;

(c) a copy of the memorandum dated 19th April enclosed in the aforementioned letter;

BEST COPY AVAILABLE

(d) a copy of the letter dated June 14th, 1967 from Mr. Fell to the writer;

(e) a copy of the memorandum dated June 14th, 1967 enclosed in Mr. Fell's letter; and

(f) a copy of a letter of today's date from our firm to Messrs. Fasken, Calvin, MacKenzie, Williston & Swackhamer.

Yours very truly,

CAMPBELL, GODFREY & LEWTAS

DGCM:MS
encls.

per:
D. G. C. Menzel.

DX 102-D
Fn I.D.
6/24/71
W.L.

PERRY-PATTISON LIMITED 530A

B. A. PERRY, F.C.I.S.
G. D. PATTISON, C.A.
R. D. BELL, C.A.

SUITE 800
25 ADELAIDE STREET W.
TORONTO 1, CANADA

April 17, 1967.

The Toronto Stock Exchange,
234 Bay Street,
Toronto 1, Ontario.

Dear Sirs:

This letter is to inform you that David Knight and I resigned on April 12th as directors of Consolidated Halliwell Limited. Mr. Fraser M. Fell, Q.C., also resigned, but I understand he will be writing to you separately.

Mr. Knight and I think we have a duty to outline briefly to you the circumstances which gave rise to our resignations.

Halliwell owns all of the shares of Societe d'Exploitation et de Developpement Economique et Naturel d'Haiti (Sedren), S.A., a Haitian corporation which operates a copper mine in Haiti. Plans were originally made to place Sedren's property in production before the decline in copper prices in the late 1950's. To facilitate the financing of Sedren, Halliwell and Sedren entered into an agreement dated the 1st day of April, 1959 with Continental Copper & Steel Industries, Inc., the essence of which, in our opinion, was to establish a floor price of 24¢ per pound for Sedren's copper. Briefly, the agreement provided that Continental was to purchase from Sedren the first eighty million pounds of copper metal produced by Sedren and pay for the same on the basis of the quotation in the Engineering & Mining Journal for "copper, domestic ref'y" but in any event not less than 24¢ a pound. At that time the E. & M. J. domestic price was the generally accepted fair market price. Continental was to receive a discount ranging from 1¢ to 2¢ depending upon the quoted price. It was never contemplated that Sedren would have a smelter or a refinery and accordingly the parties contemplated that Sedren would sell its concentrates at world market prices and would purchase copper in the United States for delivery to Continental. Clause 6 of the agreement specifically contemplates this. It will be seen immediately that if the world price of copper were less than 24¢ a pound, Halliwell would likely make a trading profit under the agreement. Continental was adequately compensated for establishing the floor price because of the discount and because of the fact that during the 1950's the price of copper only once went below the floor price established. We believe

that it was contemplated at that time that it would always be possible for Sedren to purchase copper in the United States at the E. & M. J. domestic price for delivery under the agreement. The E. & M. J. domestic price is no longer the fair market price, and we believe it is now impossible for Sedren to buy copper at that price.

In the year 1964 the demand for copper exceeded the supply and copper prices went up. It became difficult for Sedren to purchase copper in the United States to fulfil its obligations under the 1959 agreement and a new agreement was entered into with Continental which extended to December 31, 1966, at which time the 1959 agreement again became operative with respect to copper remaining undelivered pursuant to it.

Halliwell financed Sedren by lending money to Sedren and in this regard issued secured debentures. Halliwell is a very substantial creditor of Sedren.

We believe (and U.S. counsel retained by Halliwell has indicated orally that our belief may be correct) that the 1959 agreement is unenforceable because it has been frustrated. It has been frustrated because it is impossible for Sedren to purchase in the U.S. copper at the E. & M. J. domestic price, and it was never contemplated that Sedren would have to suffer the enormous economic penalty of purchasing copper on the world market at a price greatly in excess of the E. & M. J. domestic price to make delivery under the 1959 agreement.

We believe that it is in the best interests of Halliwell to repudiate the 1959 agreement on the basis that it has been frustrated and, if arbitrators or a court determine that such repudiation is wrong, for Sedren to pay the damages assessed. Presumably if damages are assessed against Sedren, then Continental as a creditor will rank equally with Halliwell with the result that Halliwell will get something. In our opinion Halliwell may not get anything if it does not challenge the 1959 agreement as the penalty payable thereunder is excessive.

The Halliwell board consists of eleven persons, at least five of whom are nominees of Continental or otherwise interested in the 1959 agreement. In brief these "Continental" directors will not permit the 1959 agreement to be challenged. Continental has offered to revise the agreement but in our opinion the economic effect to Halliwell of the suggested revision is the same as if no revision were made at all, for the simple reason that the payments to be made to Continental are in our opinion more than likely to equal or exceed the operating profits of Sedren so that no moneys can be paid by

532A

The Toronto Stock Exchange

April 17, 1967.

Sedren to Halliwell. In other words, the suggested revision would permit Sedren to operate only to the advantage of Continental but not to the advantage of Halliwell.

At the meeting of directors held April 12th the "Continental" directors of Halliwell forced the issue and voted in favour of the entering into of a revised agreement incorporating the new terms suggested by Continental. In so doing, they voted for an agreement with themselves. Mr. Knight, Mr. Fell and I believed we had no alternative but to resign.

The position that those directors of Halliwell who voted for the revision took was simply that the revision was less onerous to Sedren than the 1959 agreement. This position can be supported only if the 1959 agreement is in fact enforceable and we believe it is not. We believe that it is the duty of the Halliwell directors, who should be concerned only with Halliwell, to adopt some procedure which will satisfactorily test the enforceability of the 1959 agreement. If the only way this can be done is repudiation, then we believe it is in the best interests of Halliwell to repudiate it.

You will no doubt be informed that Mr. Knight and I represented the debentureholders of Halliwell on the Halliwell board. In acting as directors of Halliwell we have in our opinion at all times acted in the best interests of Halliwell. The interest of the shareholders of Halliwell is identical to the interest of the creditors of Halliwell when it comes to the dealing with an action upon a contract which is very seriously detrimental to Halliwell. It is obvious that unless Sedren is in a position to pay back moneys to Halliwell, then neither the creditors nor the shareholders of Halliwell will get anything.

If you wish any further information from us, please do not hesitate to let us know.

Yours very truly,

R. D. Bell.

RDB:bd

"DEFENDANTS' EXHIBIT AF IN EVIDENCE"

533A

MINUTES of a meeting of the board of directors of CONSOLIDATED HALLIWELL LIMITED (N.P.L.) held at 100 east 42nd Street, New York, New York, on Tuesday, July 18, 1967 at 10:30 o'clock in the afternoon, New York time.

PRESENT:

Harry Harris	Chairman of the Board
Murray Cooper	President
Adolph H. Graetz	Vice-President & Treasurer
Georges Baussan	Vice-President
Walter H. Knorr	
Arthur C. Wheeler	

being a quorum of the directors of the Company, and

J. M. Wainberg,	Secretary
Stanley L. Jacobson	

by invitation.

FORMALITIES:

The Chairman of the Board, Mr. Harris, acted as chairman of the meeting and the secretary of the Company, Mr. Wainberg, acted as secretary of the meeting.

Notice of this meeting having been sent to all the directors of the Company on July 14, 1967, annexed to these minutes as Schedule "A", and a quorum of the directors being present, the chairman declared the meeting regularly constituted for the transaction of business.

MINUTES OF PREVIOUS MEETINGS:

UPON MOTION regularly made by Mr. Graetz, seconded by Mr. Cooper, and unanimously carried,

IT WAS RESOLVED that the minutes of the board of directors' meetings held on December 14, 1966, April 12, 1967 and June 22, 1967 be taken as read, and verified and approved.

REMUNERATION OF DIRECTORS:

UPON MOTION regularly made by Mr. Graetz, seconded by Mr. Wheeler, and unanimously carried,

IT WAS RESOLVED that the directors waive their directors' fees until after the new board of directors is elected, on July 25, 1967.

SINKING FUND DEBENTURES.

The secretary reported to the meeting that by agreement dated June 28, 1967 the debentureholders of the

534A

Company approved:

1. Postponement of the Company's obligation to pay the interest due December 1, 1964, until December 1, 1969, and then at a premium of 10%;

2. Payment of interest accruing from December 1, 1964 at a fixed rate of 2% with interest on overdue interest at the same rate, and payment of additional interest at 4½% which may be postponed, without interest thereon, to May 31, 1970. Should any payment be postponed, the Company is to forthwith redeem debentures in a principal amount at least equal to the unpaid interest of which payment is postponed.

UPON MOTION regularly made, seconded and unanimously carried,

IT WAS RESOLVED that the terms and conditions of the agreement dated June 28, 1967 and signed by all the Company's debentureholders be and the same are hereby approved.

SEDREN, S.A.:

Financial Position

Mr. Cooper presented to the meeting a cash flow statement of Sedren, S.A. for the period from July 1, 1967 to December 31, 1967, a copy of which is annexed to these minutes as Schedule "B",

Technical Operations

Mr. Cooper then reported to the meeting on his visit to Haiti. He reported that the rainfall in the general area of the Sedren operation was the heaviest and worst in the Company's experience. In one hour, five inches of rain fell. As a result of this deluge, the dam burst and is, at present, being repaired.

He also reported that the new zone in the east is coming along nicely and that all stopes had been prepared.

Mr. Cooper also reported that a stringent economy drive had been instituted to cut down expenses in the operation of the mine.

CONSOLIDATED MOGUL MINES AND CONTINENTAL COPPER AND STEEL INDUSTRIES--NEGOTIATIONS:

Mr. Cooper advised the meeting that Consolidated Mogul Mines Limited and Continental Copper and Steel Industries Inc., the Company's two major creditors, were pressing for settlement of their accounts.

UPON MOTION regularly made, seconded and unanimously carried,

IT WAS RESOLVED that Murray Cooper and J.M. Wainberg be and they are hereby authorized to negotiate on behalf of the Company with Consolidated Mogul Mines Limited and Continental Copper and Steel Industries Inc. with respect to the Company's indebtedness to these two creditors.

TERMINATION OF MEETING:

There being no further business, the meeting then terminated.

Chairman

Secretary

"DEFENDANTS' EXHIBIT AG IN EVIDENCE"

SCHEDULE "A" 536A

To Minutes of
Annual and Special General Meeting of Shareholders
Held July 25, 1967

"A"

CONSOLIDATED HALLIWELL LIMITED

(No Personal Liability)

Suite 714, 62 Richmond Street West
Toronto 1, Ontario

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual and a Special General Meeting of the Shareholders of CONSOLIDATED HALLIWELL LIMITED (No Personal Liability) will be held in the Royal Embassy Hotel, Sherbrooke and Peel Streets, Montreal, Quebec, on

TUESDAY, THE 25th DAY OF JULY, 1967

at the hour of 10:00 o'clock in the forenoon (Montreal time) for the following purposes:

(a) to receive and consider the consolidated balance sheet of the Company and accompanying financial statements for the year ended December 31, 1966, together with the Auditors' Report thereon dated March 7, 1967 and all the transactions reflected thereby, the Report by the President on behalf of the Board of Directors dated June 22nd, 1967, the Report by the Mine Manager of the Company's wholly-owned subsidiary (SEDREN, S.A.) dated May 12th, 1967, all contained in the Annual Report submitted herewith;

(b) to approve, subject to such amendments or variations as may be made at the meeting, By-law No. "C", set out in the Information Circular submitted herewith;

(c) if By-law No. "C" is approved, to elect 7 directors, otherwise 11 directors, and fixing their remuneration;

(d) to appoint auditors and authorize the board to fix their remuneration;

(e) to approve, subject to such amendments or variations as may be made at the meeting, By-law No. "D", set out in the Information Circular submitted herewith; and

(f) to transact such other business as may properly come before the meeting.

Accompanying this notice is an Information Circular wherein are set out the two by-laws with other pertinent information and the Annual Report.

Shareholders who will not attend the meeting are respectfully requested to complete, sign and return the proxy form accompanying this notice.

DATED at Toronto, Ontario, this 22nd day of June, 1967.

By Order of the Board,

J. M. WAINBERG,
Secretary.

INFORMATION CIRCULAR

1. Solicitation of Proxies

This information circular is furnished by the management of Consolidated Halliwell Limited (the "Company") in connection with the solicitation of proxies to be used at the annual and special general meeting of shareholders of the Company to be held in Montreal on July 25, 1967 for the purposes set forth in the accompanying notice of meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by directors, officers and regular employees of the Company. The cost of such solicitation will be nominal and will be borne by the Company.

2. Appointment and Revocation of Proxies

The persons named in the accompanying proxy form are directors of the Company and nominees of management. A shareholder desiring to appoint some other person to represent him at the meeting may do so either by inserting such person's name in the blank space provided in the proxy form, striking out the names of management's nominees and initialling the change, or by completing another proxy form. In either case the completed proxy form must be delivered to the Secretary of the Company. The proxy must himself be a shareholder or the proxy of a corporate shareholder.

A shareholder who has given a proxy may revoke it at any time as to any matter on which a vote has not been cast either (a) by signing a proxy bearing a later date and delivering it to the Secretary of the Company, or (b) by signing a notice of revocation of the proxy and delivering it to the Secretary of the Company or the Chairman of the meeting.

3. Exercise of Discretion by Proxies

The proxies named will vote the shares in respect of which they are appointed in accordance with the direction of the shareholder appointing them. In the absence of such direction, such shares will be voted for the approval of the balance sheet and related financial statements and the transactions reflected thereby, and for the election of directors and the appointment of auditors as stated under those headings in this circular. The enclosed proxy form confers discretionary authority upon the proxies named therein with respect to amendments or variations to matters identified in the notice of meeting, and to other matters which may properly come before the meeting. At the date of this circular the management of the Company is not aware that any such amendments or variations or other matters are to be presented for action at the meeting.

4. Voting of Shares

All shareholders of record at the time of the meeting are entitled to vote at the meeting. On the date of this information circular there were 11,936,674 equity shares outstanding all of one class, each carrying the right to one vote.

5. Election of Directors

There are presently 11 directors on the board. Directors hold office until the annual meeting following their election or appointment. At the coming annual meeting shareholders will be asked to confirm a by-law reducing the board to 7 directors and fix 3 as a quorum.

If the shareholders approve the by-law, the officers and directors intend to nominate and cast all shares held by them and all proxies in their favour FOR the election of the following:

Name of Director and Office Held in Company	Principal Occupation during past five years	Director of Company since	Shares Owned Beneficially
GEORGES BAUSSAN, Fils Director and Vice-President	Lawyer, self employed in the practice of law in Port-au-Prince, Haiti.	1955	1
MURRAY COOPER Director and President	Mining Executive, President and Director of Silver-Miller Mines Limited and other corporations, Toronto.	1960	1
ADOLPH H. GRAETZ Director and First Vice-President	Corporation Executive, Director and Vice-President of National Outlook Corporation, New York. Director and Treasurer of Panacolor Inc., New York.	1960	1
WALTER H. KNORR Director	Corporation Executive, Vice-President and Treasurer of Continental Copper & Steel Industries, Inc., New York.	1961	1

WILLIAM P. NASH To be proposed as a director	Corporation Executive, Vice-President of The Golden Cycle Corporation, Colorado Springs, Colorado.	—	1
MERRYLE S. RUKEYSER To be proposed as a director	Consultant Economist, Director and President of National Outlook Corporation; Director of Deuterium Corp., New York.	—	1
JACOB M. WAINBERG, Q.C. Secretary of the Company, to be proposed as a director	Lawyer, self employed in the practice of law, Toronto.	—	1

Management is not presently aware than any of the above nominees are unwilling or unable to serve as a director if elected. But should any vacancy occur in the above slate of nominees, the remaining nominees shall nominate as directors any other person or persons of their choice.

If the by-law is not approved the nominees shall nominate 4 additional persons of their choice whose names are, at present, undecided.

National Outlook Corporation of New York is the holder of $150,000 of the Company's 6½% Sinking Fund Debentures. Messrs. Graetz and Rukeyser above referred to are directors and officers of National Outlook Corporation.

6. Appointment of Auditors

The proxies named by management in the proxy form intend to cast all their votes for the re-appointment of the auditors of the Company, Thorne, Gunn, Helliwell & Christenson, which firm and its predecessor, Thorne, Mulholland, Howson & McPherson, have been auditors of the Company for more than five years.

7. Other Matters

In addition to the routine business of an annual meeting, the only other business of which management is now aware on which action will be taken will be the submission to the meeting of By-Law No. "C" and By-Law No. "D" amending By-Law No. "A". These by-laws must be approved and confirmed by at least two-thirds of the votes cast at the meeting before becoming effective. In the opinion of management both by-laws are desirable and in the interests of the Company and its shareholders. They are reproduced in full below.

No person who has been a director or senior officer of the Company since the beginning of the last completed fiscal year, or any associate of any such person, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter intended to be acted upon at the meeting other than the election of directors and the appointment of auditors.

8. Remuneration of Directors and Officers

During the past fiscal year the aggregate direct remuneration paid or payable by the Company (including its subsidiaries) to its directors and senior officers was $49,149.15 (Canadian funds).

The Company pays its directors and officers $100 plus reasonable travelling expenses for each meeting of directors and shareholders attended by them, and pays $200 per month for secretarial services.

There are no pension or retirement benefits proposed to be paid to directors or senior officers of the Company. No stock options have been granted during the past fiscal year and none are in existence.

By agreement dated January 27, 1965, the Company granted to Gregory Bryan, its mine manager, an option to purchase up to 100,000 shares of the Company at 40¢ per share, of which 25,000 were taken down in 1965 and 25,000 in 1966. The option has since been terminated.

9. Principal Holdings of Shares

To the knowledge of the directors or senior officers of the Company, no person or corporation has more than 10% of the issued and outstanding shares of the Company.

10. Interest in Material Transactions

No director, senior officer or proposed nominee for election as a director of the Company or any associate or affiliate of any of them had any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year or has any material interest in any proposed transaction. Reference is made to the notes to the Consolidated Financial Statement for the year ended December 31, 1966, herewith submitted for transactions between the Company and Continental Copper & Steel Industries, Inc. of which Mr. Knorr is a vice-president and treasurer.

Submitted on behalf of the management this 22nd day of June, 1967.

CONSOLIDATED HALLIWELL LIMITED

(No Personal Liability)

BY-LAW NO. "C"

BE IT ENACTED and it is hereby enacted as a by-law of Consolidated Halliwell Limited as follows:

1. The number of directors of the Company be and the same is hereby decreased from 11 to 7 so that the board of directors of the Company shall hereafter be composed of 7 directors.

2. Three directors shall constitute a quorum at any meeting of the board.

3. By-law No. "A" and all other by-laws, resolutions and proceedings of the Company inconsistent herewith are hereby amended in order to give effect to this by-law.

ENACTED this 22nd day of June, 1967.

BY-LAW NO. "D"

BE IT ENACTED and it is hereby enacted as a by-law of Consolidated Halliwell Limited as follows:

1. By-law No. "A", Article IV(d) is hereby amended to read as follows:

"Questions arising at any meeting of the board of directors shall be decided by a majority of votes, and in case of an equality of votes, the chairman of the meeting shall be entitled to an additional casting vote."

2. By-law No. "A", Article XXIV(h) is hereby amended to read as follows:

"Every shareholder, including a corporate shareholder, entitled to vote at meetings of shareholders may by a proxy instrument, appoint a proxy (who must himself be entitled on his own behalf to be present and vote at the meeting or has been appointed to act at that meeting as proxy for a corporation) to attend meetings of shareholders and to exercise at such meetings all the powers of the shareholder he represents. A proxy instrument shall be in writing, and, if the appointor is a corporation, under the corporate seal or under the hand of an officer or attorney so authorized. Proxy instruments shall be in such form as the board from time to time prescribes or as the chairman of the meeting accepts. A proxy instrument ceases to be valid after the expiration of one year from the date thereof."

3. By-law No. "A" and all other by-laws, resolutions and proceedings of the Company inconsistent herewith are hereby amended in order to give effect to this by-law.

ENACTED this 22nd day of June, 1967.

"B"

THIS PROXY IS SOLICITED ON BEHALF OF THE MANAGEMENT

CONSOLIDATED HALLIWELL LIMITED

(No Personal Liability)

Suite 714, 62 Richmond Street West
Toronto 1, Ontario

PROXY FORM

The undersigned shareholder of CONSOLIDATED HALLIWELL LIMITED hereby appoints MURRAY COOPER, President, or whom failing, A. H. GRAETZ, First Vice-President, or whom failing, ... as his proxy to attend, act and vote for him and on his behalf at the Annual and Special General Meeting of Shareholders of CONSOLIDATED HALLIWELL LIMITED to be held on the 25th day of July, 1967 and at any adjournment thereof, and the undersigned hereby revokes all other instruments appointing a proxy for him for use at the said meeting or any adjournment thereof whether bearing a date earlier or even with this proxy form.

The above named proxies are specifically directed to vote all shares of the undersigned as follows:

☐ FOR
☐ AGAINST — the approval of the By-law No. "C", decreasing the number of directors of the Company from 11 to 7 and fixing 3 directors as a quorum.

☐ FOR
☐ AGAINST — the confirmation of By-law No. "D", amending By-law No. "A", giving a casting vote to the chairman of meetings of the board, and varying the regulations with respect to proxy instruments.

☐ FOR
☐ AGAINST — the approval of the balance sheet and related financial statements and the transactions reflected thereby and the report of the board of directors.

THE EASTERN TRUST COMPANY, IN TRUST
FOR SHAREHOLDERS OF
HALLIWELL GOLD MINES LIMITED,
1170 BEAVER HALL SQ.,
MONTREAL 2, QUE.

If a choice is not specified, discretionary authority is conferred on the proxy with respect to the above matters. Discretionary authority is also conferred with respect to amendments or variations to matters identified in the notice of meetings and to other matters which may properly come before the meeting.

DATED this ..... day of July, 1967.

.....
Signature of Shareholder

NOTE: 1. If the appointor is a corporation, the proxy form must be signed under its corporate seal or under the hand of an officer or attorney so authorized and the necessary changes made in the form. Such authorization under seal or a notarial copy thereof must accompany this proxy form.

2. Every shareholder has the right to appoint as his proxy some person other than the persons designated provided that such person is a shareholder of the Company. To do so the appointor must insert the name of his nominee in the blank space and strike out the printed names and initial the change.

3. This proxy should be read in conjunction with the Information Circular.

To be presented at the Special General Meeting of Shareholders Held July 25, 1967

541A

"C"

Consolidated Halliwell Limited

(No Personal Liability)

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31

1966

Consolidated Halliwell Limited

(No Personal Liability)

OFFICERS as of June 29, 1967	Harry Harris	*Chairman of the Board*
	Murray Cooper	*President*
	A. H. Graetz	*First Vice-President and Treasurer*
	Georges Baussan, Fils	*Vice-President*
	J. M. Wainberg, Q.C.	*Secretary*
	S. Jacobson	*Assistant Secretary*
DIRECTORS as of June 29, 1967	Georges Baussan, Fils	Port-au-Prince, Haiti
	Murray Cooper	Toronto, Ontario
	Mortimor S. Gordon	New York, N.Y., U.S.A.
	A. H. Graetz	Massapequa, N.Y., U.S.A.
	Harry Harris	New York, N.Y., U.S.A.
	Walter H. Knorr	New York, N.Y., U.S.A.
	Samuel Ungerleider	New York, N.Y., U.S.A.
	Arthur Wheeler	New York, N.Y., U.S.A.
BANKERS	The Royal Bank of Canada	Toronto, Ontario
	Marine Midland Grace Trust Company of New York	New York, N.Y., U.S.A.
AUDITORS	Thorne, Gunn, Helliwell & Christenson	Toronto, Ontario
TRANSFER AGENT AND REGISTRAR	Eastern & Chartered Trust Company	Montreal, Quebec Toronto, Ontario
EXECUTIVE OFFICE	Suite 714 - 62 Richmond Street West	Toronto, Ontario
HEAD OFFICE	Suite 930 - The Royal Bank of Canada Building 1 Place Ville Marie	Montreal, Quebec
ANNUAL AND SPECIAL GENERAL MEETING	Tuesday, July 25, 1967, Royal Embassy Hotel	Montreal, Quebec

Consolidated Halliwell Limited

(No Personal Liability)
Suite 714, 62 Richmond Street West
Toronto 1, Ontario

TO THE SHAREHOLDERS,
CONSOLIDATED HALLIWELL LIMITED
(No Personal Liability)

Your board of directors present herewith the Annual Report of your Company including the consolidated financial statement with the Auditors' Report for the fiscal year ended December 31, 1966, and the report of the Mine Manager covering operations of the Company's wholly-owned Haitian subsidiary, Sedren, S. A. Also enclosed is a notice of an Annual and Special General Meeting of shareholders together with a statutory Information Circular.

As pointed out in the Mine Manager's report, operations were again hampered by a shortage of power caused by continued mechanical failures in the diesel generating plant. In addition, a fire in the main powerhouse completely shut down four generating units for over a month last summer. These unexpected setbacks, in large part, resulted in a reduction in copper output of some 2.6 million pounds, as well as necessitating a cut-back in underground exploration and development work. At this writing all diesel generator units are reported in operation and producing sufficient power for normal mining operations. A program is now under way to re-build and overhaul any engines requiring this maintenance.

Nevertheless, higher metal prices received throughout the year resulted in net metal receipts of $2,798,355, which is approximately the same as received during the previous year. But higher unit operating costs resulting from the lower mill throughput reduced the year's operating profit to $476,383 compared to $756,574. Continued heavy amortization and depreciation charges resulted in a net loss of $1,169,076 compared to a net loss of $1,142,891 shown for 1965.

During the year a $250,000 payment was made on the Company's mortgage, thereby reducing the presently outstanding amount to $250,000. Furthermore, outstanding 6½% sinking fund debentures were redeemed in the amount of $150,000.

Since the commencement of production in September, 1960, to December 31, 1966, a total of 1,400,000 tons of ore have been milled to produce 35,300 tons of concentrate containing 58,700,000 pounds of copper. Net sales value total $13,200,000.

Ore Reserves

Ore reserves at the beginning of 1966 were reported at 325,355 tons grading 1.70% copper. After extracting 218,717 tons during that year, reserves at year end stood at 331,617 grading 1.58% copper. It will be seen from these figures that new ore developments during the year, although seriously affected by the difficulties referred to above, kept pace with the mining program.

Bulk of the new ore findings have been made within the new east mine area. Management is pleased to report that as of April 1, 1967, ore reserves have been increased further to 412,835 tons grading 1.58% copper with the outlook for developing additional tonnages in this area deemed very good. All percentages of copper expressed allow for a 10% dilution factor. While the new east ore contains slightly less copper than that in the original Mémé mine, it has a significant precious metal content that is expected to compensate for the difference.

Exploration

Underground exploration and development work during the current year is being concentrated in the new east mine area, and will include considerable diamond drilling to exploit this new potential. It is expected also that the sinking of an inclined shaft will be completed to permit the opening of two new working levels. Diamond drilling below the present bottom level has already indicated a possible 140,000 tons of additional ore.

General

As noted in the enclosed notice calling for an Annual and Special General Meeting, shareholders are being asked to approve a change in the Company's by-laws to decrease the number of directors from 11 to 7, as well as certain other amendments to the Company's by-laws designed to simplify and streamline corporate procedures.

The resignations of Messrs. D. W. Knight, R. D. Bell and F. M. Fell were accepted last April. Their positions have not been filled pending consideration by the shareholders of the by-laws reducing the number of directors on the board.

Shares of the Company have again been granted exemption from the U.S. Government's 15% Interest Equalization Tax Act.

In conclusion, your board wishes to express appreciation for the faithful services rendered by Mr. J. M. Bracken, Mine Manager, and by the staff and Haitian employees. The board would also like to record a continuing spirit of co-operation between mine management and the Haitian government officials familiar with the mine operations.

On Behalf of the Board of Directors,

MURRAY COOPER,
President.

Toronto, Ontario,
June 22, 1967.

Consolidated Halliwell Limited

(No Personal Liability)

The President and Directors,
CONSOLIDATED HALLIWELL LIMITED,
Suite 714, 62 Richmond Street West,
Toronto 1, Ontario.

Gentlemen:

The following report covers the mining operations of your wholly-owned subsidiary, Sedren S.A., in the Terre Neuve district of the Republic of Haiti during 1966.

PRODUCTION

A total of 218,747 tons of ore were milled during the year containing an average grade of 1.55 per cent copper. This produced 9,997 tons of concentrate containing 6,129,464 lbs. of copper plus an estimated 5,071 ounces gold and 50,690 ounces silver. Recovery was 90.57 per cent. Net sales value came to $2,798,355.

By comparison, 234,719 tons were milled during the previous year averaging 2.02 per cent copper for a production of 11,269 tons of concentrate containing 8,730,454 lbs. of copper. This realized a value of $2,910,161.

It will be seen that although less tonnage of lower grade ore was mined as compared to the preceding year, higher copper prices generally obtaining in 1966 gave substantially the same amount of cash income.

CONCENTRATE SHIPMENTS

There were 10 shipments of concentrates made to overseas smelters totalling 9,274 short dry tons compared to 11,268 short dry tons for a like number of shipments in 1965.

STOPING SUMMARY

Ore broken in stoping operations in the mine totalled 172,363 tons while 193,816 tons were removed.

A breakdown on mine production follows:

Level	Tons Broken	Tons Removed	Broken Ore Remaining
1200	15,150	11,724	146
1300	28,927	57,105	1,110
1500	75,150	34,155	27,132
1600	24,550	49,869	7,968
1700	28,586	40,963	599
	172,363	193,816	36,955

To Members of
Annual and Special General Meeting of Shareholders
Held July 27, 1967

EXPLORATION AND DEVELOPMENT

Early in 1966 an exploration drilling program was initiated at an area designated as Boucarie Creek some 30 miles from the main mine workings. A total of 3,414 feet were drilled in 15 holes. Drilling on the main discovery zone covered a strike length of 500 feet and a maximum vertical depth of 350 feet. One hole was attempted 900 feet south and on strike with the main zone but had to be abandoned before reaching bedrock. Four other holes were abandoned short of their objective because of caving ground.

A lens of material estimated to average about 2.90 per cent copper and contain 60,000 tons was outlined in the main zone; length was approximately 200 feet, width 35 feet, and average depth 75 feet. Work on the project was temporarily suspended in December. After further detailed surface examinations are made it is expected that additional exploratory drilling will be done during the current year.

At the main Méné property mine exploration consisted of 18,340 feet of diamond drilling. Underground development totalled 10,155 feet, an increase of some 2,000 feet over 1965. This footage included stope preparation as well as exploration advance.

ORE RESERVES

Ore reserves, as of December 31, 1965, were calculated at 331,617 tons averaging 1.58 per cent copper allowing for a 10 per cent dilution factor. After the milling of 47,000 tons during the first quarter of the current year it was estimated that ore reserves at April 1, 1967, on the same basis, had increased to 412,885 tons of the same grade. This does not include possible ore approximating 140,000 tons below the 1700 level soon to be developed through the new #3 inclined shaft.

GENERAL

Throughout the year 1966, as during the previous year, production was adversely affected and the mine-development program seriously curtailed owing to frequent and extended periods of insufficient power due to diesel engine failures. These engine failures, with incurred downtime, are attributable primarily to the problem of obtaining competent operating and maintenance personnel for the powerhouse. Other contributory factors were the problem of engine spare parts availability and the difficulty encountered by irregular shipping services to the mine property located so far from regular sources of supply. An additional hardship was experienced in August when a fire occurred in the main powerhouse switchboard. This unfortunate accident, substantially compensated by insurance, completely disabled four generating units for over a month and automatically cut production by half.

The number of employees in all phases of the operation varied from time to time during 1966. On January 1, 1966, there were 466 Haitians and 16 Canadians employed. At the end of the year the payroll consisted of 528 Haitians and 12 Canadians. Personnel relations continued on a satisfactory basis throughout the year.

The writer wishes to gratefully express his appreciation for the help extended by officials of the Company and the fine spirit of co-operation between mine management and all employees.

Respectfully submitted,

J. M. BRACKEN,
Manager.

Port-au-Prince, Haiti,
May 12, 1967.

Consolidated Halliw

(No P... ...bility)

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Consolidated Balance ... 2...

ASSETS

CURRENT ASSETS:		
Cash	76,409	
Accounts receivable	33,644	
Insurance claim receivable	160,945	
Concentrates on hand and shipments in process of settlement, at estimated net realizable value under sales contracts — 1,333,179		
Less Payments received in advance of settlements — 1,062,738	270,441	
	453,133	
Mine and mill operating supplies, at cost	75,203	1,069,825
Prepaid expenses		
INVESTMENTS:		
Shares of other mining companies, at nominal value (no market value)	1	
Shares in and advances to C.N.E.S.A.	37,401	37,402
FIXED ASSETS:		
Mining lands and concession in the Republic of Haiti	45,304	
Roads	225,158	
Buildings, machinery and equipment	4,517,030	
	4,787,492	
Less Accumulated depreciation	2,389,410	2,398,082
DEFERRED CHARGES, amortized value:		
Deferred exploration, development and administrative expenditures	2,716,971	
Discount on sinking fund debentures	25,720	
Premium on deferred debenture interest	6,831	2,749,522
EXCESS OF COST OF SHARES IN SUBSIDIARY OVER BOOK VALUE AT DATE OF ACQUISITION, amortized value		616,736
		$6,871,567

The accompanying notes are an integral part of this statement.

AUD... PORT

To the Shareholders of
CONSOLIDATED HALLIWELL LIMITED (No Personal Liability).

We have examined the consolidated balance sheet of Consolidated ... (N... 1966 and the consolidated statements of income, deficit and deferred explor... ...t a... obtained all the information and explanations we have required. Our exam... records and other supporting evidence as we considered necessary in the circum...

In our opinion, and according to the best of our information and t... consolidated financial statements are properly drawn up, except for the probl... tion and depreciation policy" so as to exhibit a true and correct view of the ... operations for the year ended on that date, in accordance with generally acc...

Toronto, Canada,
March 7, 1967.

...well Limited

...ility)

...s of Quebec

...subsidiary

...DE DEVELOPPEMENT

...HAITI (SEDREN), S.A.

...he Republic of Haiti

...December 31, 1966

LIABILITIES

CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	451,340	
Accrued interest	67,286	
Mortgage payable	271,000	789,626
LONG-TERM LIABILITIES:		
6½% Sinking fund debentures, maturing May 31, 1970	2,907,000	
Deferred debenture interest due December 1, 1969	422,924	3,329,924
		4,119,550

SHAREHOLDERS' EQUITY

CAPITAL STOCK:		
Authorized, 12,000,000 shares par value $1 each		
Issued, 11,936,674 shares	11,936,674	
Deduct Discount thereon	5,437,392	
	6,499,232	
DEFICIT	3,747,265	2,752,017
		$6,871,567

Approved on behalf of the Board:

MURRAY COOPER, Director.

A. H. GRAETZ, Director.

CONTINGENT LIABILITY (see note)

...PORT

...d (No Personal Liability) and its wholly owned subsidiary as at December 31, ...t and administrative expenditures for the year ended on that date and have ...a general review of the accounting procedures and such tests of accounting ...

...given to us and as shown by the books of the companies, the aforementioned ... provision for amortization and depreciation indicated in the note "Amortiza... the affairs of the companies as at December 31, 1966 and the results of their ... principles applied on a basis consistent with that of the preceding year.

THORNE, MULHOLLAND, HOWSON & McPHERSON,
Chartered Accountants.

Consolidated Hallivell Limited

(No Personal Liability)

and its wholly owned subsidiary

CONSOLIDATED STATEMENT OF DEFICIT

Year ended December 31, 1966

Deficit at beginning of year	2,578,189
Loss for year	1,169,076
Deficit at end of year	$3,747,265

CONSOLIDATED STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES

Year ended December 31, 1966

Balance at beginning of year	3,293,228
Exploration expenditures incurred during year	102,986
	3,396,214
DEDUCT Amortization for year	679,243
BALANCE AT END OF YEAR	$2,716,971

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary

CONSOLIDATED STATEMENT OF INCOME

Year ended December 31, 1966

PRODUCTION OF CONCENTRATES, at estimated net realizable value under sales contracts			2,798,355
OPERATING EXPENSES:			
Mine development		52,124	
Mining		363,146	
Milling		162,652	
Mine general expense		1,456,669	
Administrative and other expenses		286,881	2,321,472
			476,883
OTHER EXPENSES:			
Debenture interest		196,693	
Interest on mortgage		22,398	
Other interest and administrative expenses		100,650	
Directors' fees		4,985	
Outside exploration		3,625	
		328,351	
LESS:			
Profit on foreign exchange	9,487		
Other income	127,868	137,355	190,996
			285,887
AMORTIZATION:			
Debenture discount		11,336	
Deferred exploration, development and administrative expenditures		679,213	
Excess of cost of shares in subsidiary over book value at date of acquisition		205,579	
DEPRECIATION		558,835	1,454,963
LOSS FOR YEAR			$1,169,076

Consolidated Halliwell Limited

(No Personal Liability)

and its wholly owned subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 1966

TRANSACTIONS IN U.S. CURRENCY:

The accounts of the subsidiary company in Haiti (Sedren) are maintained in U.S. dollars. Current assets and liabilities of the subsidiary have been translated into Canadian funds at the prevailing rate of exchange at the balance sheet date; all other assets and liabilities have been translated at par.

COPPER SALES CONTRACTS:

By various agreements the company, together with its subsidiary, contracted to sell to Continental Copper & Steel Industries, Inc., 80,000,000 pounds of electrolytic copper by December 31, 1966. At December 31, 1966 concentrates having an estimated copper content of 53,700,000 pounds had been delivered or were available for delivery under these contracts.

By agreements dated January 1, 1967 the existing agreements have been extended and amended as follows:

SELLING PRICE:

The selling prices of concentrates are to be based on the copper content at a composite average of market prices for the month in which the copper is delivered.

EXPLORATION AND DEVELOPMENT:

Sedren will set aside each year during the term of these agreements before any distribution is made by Halliwell by way of prepayment of principal on its debentures, at least $200,000 which sum shall be held in escrow and used exclusively in the exploration and development of additional ore on the Sedren concession and the C.N.E.S.A. concession. To the extent that any part of the said sum remains unexpended or uncommitted in any such year, such amount shall, at the option of Continental, be paid to Continental.

TERMINATION:

Continental may, at any time after December 31, 1968 at its option, upon three months written notice terminate this agreement as to any portion thereof then undelivered and upon such termination Sedren shall pay to Continental, by way of liquidated damages and not as a penalty, a sum equal to the amount of the discounts to which Continental would have become entitled in respect to the undelivered portion of up to 80,000,000 pounds had delivery been made, based on the average price for the three months commencing with the date of notification. At current prices this would amount to 2¢ U.S. per pound. There shall be credited against the returnable copper required to be delivered by Sedren under this agreement as amended, the aggregate amount of returnable copper produced in concentrates and sold to Continental.

SALES COMMISSION:

Upon delivery by Sedren of the 80,000,000 pounds of copper to be delivered by it pursuant to the terms of the agreements, Continental shall become the sales agent on a commission basis for the sale of the produce of all mining properties controlled or operated by Sedren or Halliwell for a term of five years, subject at the option of Continental to renewal for an additional term of five years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year ended December 31, 1966

INVESTMENTS:

In 1965 the company caused the incorporation of Compagnie Nationale D'Exploration S.A. (C.N.E.S.A.), a subsidiary company incorporated under the laws of the Republic of Haiti, to acquire and hold a mining concession in northern Haiti. Exploration to date has not disclosed an economic orebody.

The vendor of the concession, who retains a 3% interest therein, has commenced litigation to have the vending agreement rescinded. The company does not consider this claim valid and does not anticipate that any liability will arise therefrom.

AMORTIZATION AND DEPRECIATION POLICY:

Amortization of exploration, development and administrative expenditures at 20% and depreciation of fixed assets at rates varying from 5% to 33% are calculated on the diminishing balance basis.

Effective January 1, 1966 amortization of the excess of cost of shares in subsidiary over book value at date of acquisition has been commenced at the rate of 25% per annum on a straight line basis.

Indicated ore reserves at December 31, 1966 of approximately 460,000 tons will be exhausted by December 31, 1969 if ore is extracted at rates projected by company officials and if no further reserves are established. If amortization and depreciation were related to copper produced to date and to the estimated copper content of the indicated ore reserves, the unamortized balance of fixed assets, deferred charges and excess of cost of shares in subsidiary over book value at date of acquisition would be approximately $3,500,000 less than the aggregate value shown by the balance sheet.

MORTGAGE PAYABLE:

The mortgage bears interest at 6% per annum and is secured by all Sedren's real and immovable property in Haiti, including the mining concession. The balance of $271,000 ($250,000 U.S. funds) together with interest accrued which at December 31, 1966 amounted to $62,441 ($57,602 U.S. funds), is due June 29, 1967.

SINKING FUND DEBENTURES:

By agreement between Consolidated Halliwell Limited and the debentureholders, the latter have approved:

(1) postponement of the obligation to pay the interest due December 1, 1964, until December 1, 1969, and then at a premium of 10%;

(2) payment of interest accruing from December 1, 1964 at a fixed rate of 2% with interest on overdue interest at the same rate, and payment of additional interest at 4½% which may be postponed, without interest thereon, to May 31, 1970. Should any payment be postponed, Halliwell is to forthwith redeem debentures in a principal amount at least equal to the unpaid interest of which payment is postponed.

During the year interest so deferred aggregated $135,000 and debentures were redeemed in the sum of $150,000 on July 26, 1966. The company contends that such redemption fulfilled its obligation under the terms of the agreement.

Under the terms of a supplemental trust indenture dated June 1, 1961 the company is required to set aside 75% of the annual net profits, as defined in the trust indenture, from the mining operations of the Haitian subsidiary, for retirement of the debentures, after providing $500,000 as a working capital fund for the subsidiary. To date no funds have been set aside under this requirement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Year ended December 31, 1966

Funds from the subsidiary's mining operations will be available to the company for retirement of debentures and other purposes only so long as payments made on the mortgage at least equal the aggregate payments by the subsidiary to the company, provided further that the subsidiary's working capital shall, after making any such payments, be not less than $500,000.

The supplemental trust indenture provides that debentures in the aggregate principal amount of $120,500 registered in the name of National Outlook Corporation have preference over all other debentures as to payment of principal and as to security therefor.

CAPITAL STOCK:

During the year, 25,000 shares of capital stock of the company were issued for $10,000 pursuant to an option granted to the former mine manager of Sedren.

There are no options outstanding at December 31, 1966.

CONTINGENT LIABILITY:

The subsidiary company was, as at December 31, 1966, contingently liable for severance allowances which under Haitian law are payable to any employee discharged after three months or more of service. No provision has been made by the company for possible severance payments. The company follows the policy of meeting these obligations as they materialize, charging such payments to expense when made.

ROYALTIES:

By agreement dated April 29, 1955, the Government of the Republic of Haiti granted to Sedren the right to exploit for a period of twenty-five years, renewable under certain conditions for an additional twenty-five years, certain copper-bearing properties located in the Terre Neuve Area of Haiti. The agreement provides for the payment of a royalty to the government of 6% of net smelter returns, and of an annual tax.

OTHER INCOME:

Other income includes $117,000 relating to an insurance claim in connection with a flash flood and fire.

"DEFENDANTS' EXHIBIT AH IN EVIDENCE"

J. M. WAINBERG, Q.C.
BARRISTER AND SOLICITOR

TELEPHONE 364-9215
CABLE ADDRESS "WAINLEX"

TORONTO
CANADA

554A

September 1, 1967

Mr. Herman Keller,
Gordon, Brady, Keller & Ballen,
Counselors-at-law,
100 East 42nd Street,
New York, N.Y. 10017.

Dear Herman:

Re: Consolidated Halliwell Limited and
Consolidated Mogul Mines Limited

I have had several informal off-the-record conversations with Mr. Bell and have learned of certain objections that his group had to the proposal.

In an attempt to come closer to a consensus of the four parties involved, I have made a third revision to my proposal and enclose a copy herewith.

It must be understood that this proposal is not made with the authority of the board of Consolidated Halliwell and is not deemed to be binding upon Consolidated Halliwell.

Yours truly,

J. M. Wainberg

JMW:pt
Encl.

P.S. I will be in New York on Wednesday, September 6th, and hope that by that time you will have some information for me.

"DEFENDANTS' EXHIBIT AT ... FOR I.D. 10/21/71 WJ
IN EVIDENCE"

J. M. WAINBERG, Q.C.
BARRISTER AND SOLICITOR

TELEPHONE 364-4218
CABLE ADDRESS "WAINLEX"
372 BAY STREET
TORONTO
CANADA

555A

September 7, 1967.

Mr. Mortimer S. Gordon,
Gordon, Brady, Keller & Ballen,
100 East 42nd Street,
New York, N. Y. 10017.

Dear Mr. Gordon:

Re: Halliwell and Continental Copper

This is to confirm my understanding of our conference in your office yesterday. My unofficial proposal was discussed and I explained to you that I had no authority to bind or make any admission on behalf of Halliwell.

On behalf of Continental Copper & Steel Industries Inc., you suggested the following variations of my (unofficial) proposal:

1. The secured convertible production notes are to be issued by Sedren. The proceeds from the sale of concentrates are to be assigned to an independent custodian, such as the Royal Bank in New York, to be dealt with as set out in item 6, below.

2. Halliwell is to acquire and cancel all outstanding debentures including interest due thereon in exchange for approximately 800,000 production notes. I advised you that it was likely that Mogul and National will ask for a greater number since they are giving up $2,900,000 in debentures.

3. The priority of C.C.S. mortgage is not to be disturbed but payments thereunder will be extended as follows:

December 1, 1967 - $25,000
June 1, 1968 - $75,000
December 1, 1968 - $75,000
June 1, 1969 - $75,000
December 1, 1969 - balance

Continued...

556A

All payments are to be applied firstly on account of interest and the balance on account of principal.

4. The C.C.S. sales contract will be cancelled as of September 30, 1967. C.C.S. will receive 509,000 production notes for a discharge of all obligations of every nature owing to it by Sedren and Halliwell except as covered in item 6, below.

5. C.C.S. will advance working capital in equal amounts with Mogul and National. It appears that National, having only a very minor interest in Halliwell, may be reluctant to make any advances.

6. The custodian will be authorized and directed to disburse its receipts in the following order of priority:

(i) to Sedren - sufficient to cover all its operating expenses

(ii) to C.C.S. and Mogul their advances under item 5, above

(iii) to Sedren - $5,000 per month to be used exclusively for exploration and development

(iv) to C.C.S. - payments due under its mortgage as extended (item 3)

(v) the balance to be divided as follows:
25% to Halliwell
75% to the noteholders pro rata

7. You desire no representation on any board or any participation in the activities of either Halliwell and Sedren but will remain only as a first mortgagee and noteholder.

With respect to your sales contract you advised me that you intend to retain out of the proceeds of the September shipment, the discounts to which you claim you are entitled, and all advances made by you, and will remit the remainder to Sedren. You also advised me that you have obligated Halliwell for the sale of the November shipment, but that you will expect no discount, commission or other remuneration out of the proceeds except as stated in item 6.

I pointed out to you that I had no authority to discuss the validity of your sales contract, your mortgage or any other matter in issue between the parties. I am interested only in negotiating for a settlement of all issues. All suggestions made by me were made without prejudice.

Continued...

Would you be good enough to advise me whether my impressions of the conference as above stated are correct?

I am arranging an early meeting with the Mogul group and will be back to you shortly.

It was a pleasure meeting with you yesterday and I look forward to an early settlement of the differences between the parties.

Yours truly,

J. M. Wainberg

JMW/dl
cc. Mr. M. Cooper

For I.D. 10/21/71 558A

4. To furnish necessary working capital, C.C.S., National Outlook and Mogul to each purchase 70,000 production notes Series B immediately at 90 cents each.

5. C.C.S. to exchange its mortgage (principal and interest) for 350,000 production notes Series A, and retain its mortgage as collateral only; payment of the notes entitled company to discharge of mortgage.

6. Sales contract with C.C.S. to be cancelled as of June 1, 1967 and damages settled for 450,000 production notes Series C.

7. So long as notes are outstanding, Sedren will confine its mining operations to its present concession.

8. Monthly financial and mining reports to directors and noteholders. Noteholders entitled to have 2 representatives on the board, one representing Mogul and one representing C.C.S.

9 Complete mutual releases to be given to and by all parties involved.

10. Limitation (as to time, amount or condition) may be placed on issuance of further production notes.

CONSOLIDATED HALLIWELL LIMITED

Unofficial proposal suggested by J. M. Vainberg for consolidation of mortgage and debentures

1. Sedren and Halliwell to create secured convertible production notes ($1 each).

- secured by an assignment to Halliwell in trust of all proceeds of sale of concentrates;
- convertible at option of holder into shares of Halliwell at $1 each at any time up to payment (Halliwell to re-capitalize for this purpose, price to be adjusted in the event the shares are consolidated)

2. Halliwell will use the proceeds of sales as follows:

(a) remit to Sedren all its operating expenses,

(b) advance to Sedren $12,500 quarter yearly to be directed towards exploration and development,

(c) pay quarterly 75 per cent of the balance to the note-holders in the following order or priority:

Series A - C.C.S. Mortgage (350,000)

Series B - National Outlook (150,000) plus notes
Sedren Working capital (210,000) " "

Series C - C.C.S. and Mogul pro rata (900,000) plus notes

(d) retain the balance for its own account for corporate purposes and any additional exploration it may deem desirable.

3 Halliwell to acquire and cancel all outstanding debentures in exchange for production notes as follows:

- from Mogul and associates for 450,000 production notes Series C,
- from National Outlook for 150,000 production notes Series B.

"DEFENDANTS EXHIBIT AJ IN EVIDENCE"

DX 113-A

For I.D.

10/21/71 WDS

560A

J. M. WAINBERG, Q.C.
BARRISTER AND SOLICITOR

TELEPHONE 364-4213
CABLE ADDRESS "WAINLER"
372 BAY STREET
TORONTO
CANADA

December 1, 1967

Mr. Mortimor S. Gordon
President
Continental Copper & Steel
Industries, Inc.
100 East 42nd Street
New York, N.Y. 10017

Dear Mr. Gordon:

Re: Halliwell and Continental Copper

I enclose a draft copy of the proposed settlement agreement for your perusal and comment.

I must draw to your attention paragraph 5. Mogul advises me that they are unable to enter into the guarantee. I trust that Continental will see fit to assist Halliwell in undertaking the complete guarantee on its own behalf.

May I hear from you at your earliest possible opportunity as this matter is becoming more and more serious.

Yours very truly

J. M. Wainberg

JMW:mm

Encl.

1 Dec. 1967

AGREEMENT made this day of December, 1967. 561A

DX 113-B
For I.D.

BETWEEN:

CONSOLIDATED HALLIWELL LIMITED, (No Personal Liability) a Company incorporated under the laws of the Province of Quebec having its head office at the City of Montreal

10/21/71
W.S.

(herein called Halliwell)

OF THE FIRST PART

- and -

CONSOLIDATED MOGUL MINES LIMITED,
YALE LEAD AND ZINC MINES LIMITED,
CANADIAN DYNO MINES LIMITED,
CARTIER QUEBEC EXPLORATION LIMITED,
CANADIAN ALL METAL EXPLORATIONS LIMITED K & G HOLDINGS LIMITED,
and NATIONAL OUTLOOK CORPORATION

(herein collectively called the debenture-holders)

OF THE SECOND PART

- and -

CONTINENTAL COPPER and STEEL INDUSTRIES INC. of the City of New York

(herein called Continental)

OF THE THIRD PART

WHEREAS Halliwell has issued and there are outstanding Two Million Nine Hundred and Seven Thousand Dollars ($2,907,000) in sinking fund debentures (the debentures) held by the debenture holders; and the debentures are in default with respect to principal and interest;

AND WHEREAS Continental is the holder of a mortgage given by Sedren, (a wholly owned subsidiary of Halliwell in Haiti) in the principal sum of Two Hundred and Fifty Thousand Dollars ($250,000); and the mortgage is in default with respect to principal and interest;

AND WHEREAS by agreement dated the 1st day of April 1959, and amended by agreements dated the 1st day of July 1964, and by agreements dated the 1st day of January 1967, Continental became the exclusive sales agent for or purchaser of ores produced by Sedren.

NOW THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants herein contained the parties hereto do hereby agree each with the other as follows:

1. Halliwell will forthwith create an issue of convertible income notes (herein called income notes) of the par value of One Dollar ($1.00) each which will be payable out of the proceeds of the sale of concentrates as hereinafter set out.

2. The debenture-holders agree to forthwith surrender for cancellation all their debentures and waive all arrears thereon, and in consideration thereof Halliwell will issue to the debenture-holders Nine Hundred and Twenty-five Thousand Dollars ($925,000) in income notes to be divided amongst the debenture-holders pro rata or as they may otherwise agree amongst themselves. The debentures shall thereupon be cancelled and the trust indenture by which the debentures were created shall be cancelled and the trustee discharged.

3. Continental agrees to forthwith execute and deliver an agreement extending its mortgage so that it shall be re-payable as follows:

- Ten Thousand Dollars ($10,000) on the first days of each and every month of each year commencing on the first day of June 1980; provided that the combined adjusted working capital (as herein defined) of Halliwell and Sedron as at the end of the previous month exceeds Two Hundred and Fifty Thousand Dollars ($250,000); in the event that the adjusted working capital exceeds Five Hundred Thousand Dollars ($500,000) the payment shall be increased to Twenty Thousand Dollars ($20,000).

such payments shall be applied on account of principal up to the sum of Two Hundred and Fifty Thousand Dollars ($250,000). Continental agrees to waive and cancel all arrears and future interest on its mortgage. Adjusted working capital means the aggregate of cash plus receivables less all current liabilities of both Halliwell and Sedron.

subject at the option of Continental to renewal for an additional term of five years.

4. All agreements between Halliwell and Sedron and Continental respecting the purchase or sale of concentrates shall be cancelled as of December 31, 1967 and in consideration for such cancellation Continental is to receive Four Hundred Thousand Dollars ($400,000) in income notes in full settlement of all damages. Upon the issuance and delivery of the income notes by Halliwell to the parties hereto of the second and third parts all debts, liabilities and other obligations of Halliwell (including Sedron) to the parties of the second and third parts shall be forever extinguished save and except the obligations herein specifically set out. 563A

5. Continental agrees to provide adequate bank guarantees whereby Halliwell may borrow from a bank in New York City Three Hundred Thousand Dollars ($300,000) to be used for working capital.

6. All the proceeds from the sale of concentrates from the Sedron property will be deposited by Halliwell in its bank in New York City from which Sedron will be immediately reimbursed an amount equal to its operating expenses for the previous period; payments will be made on the mortgage in accordance with paragraph three hereof. After the mortgage is fully discharged, payments will be made to the holders of the income notes pro rata on the first days of June and November in an amount equal to twenty per cent (20%) of the adjusted working capital as herein defined in cancellation of income notes pro rata.

7. The income notes will be convertible at the option of the holder into shares of Halliwell at any time up to payment thereof (subject to the capitalization of Halliwell being reorganized so as to provide shares in its treasury for this purpose and subject to the approval of the appropriate governmental authorities).

The Price and times for conversion shall be as follows:

- on or before December 1, 1970; up to one-third of the income notes held by each holder at seventy-five cents (75¢) per share of Halliwell as presently constituted;

- on or before December 1, 1973; up to one-half (1/2) of the income notes held by each holder at One Dollar ($1.00) per share of Halliwell as presently constituted;

- on or before December 1, 1976; all of the outstanding income notes at One Dollar and Fifty Cents ($1.50) per share of Halliwell as presently constituted.

In the event that the authorized capital of Halliwell is reduced, the price per share shall be multiplied by the proportion of such reduction.

8. The parties hereto agree to do all things and to execute and deliver all such further assurances and documents which may be desirable to effectuate this agreement.

9. This agreement shall become effective upon execution thereof (including counterparts) by Halliwell, Continental and the holders of at least seventy-five per cent (75%) of the debentures, and may be executed in counterparts.

IN WITNESS WHEREOF this agreement (including its counterparts)

have been duly executed by all the parties hereto.

CONSOLIDATED HALLINDELL LIMITED

Per: _____
President

Per: _____
Secretary

CONTINENTAL COPPER AND STEEL INDUSTRIES INC.

Per: _____
President

Per: _____
Secretary

CONSOLIDATED MCCU[illegible]ES LIMITED

Per: _____
President

Per: _____
Secretary

Etc.

"DEFENDANTS' EXHIBIT AN IN EVIDENCE"

566A

TO: Walter Knorr

The attached draft of a memorandum on Consolidated Halliwell/Sedren will serve as the basis for data to be presented to the Toronto Stock Exchange.

Will you please call Murray Cooper and give him your reactions.

Adolph H. Graetz

2/23/68

DRAFT 23, Feb. '68

567A

CONSOLIDATED HALLIWELL LIMITED

Memorandum of Settlement

1. New Money

CCS and several shareholders will guarantee a new bank loan to Sedren of $300,000. The bank loan is to be repaid within two years in instalments as and when funds are available. A bonus of 350,000 shares of Halliwell will be issued to CCS and the individual guarantors.

2. CCS Mortgage

Repayment of $250,000 principal on CCS mortgage to be extended five years. All arrears of interest to be repaid as and when funds are available following repayment of new bank loan. CCS to have option to convert all outstanding interest into free shares of Halliwell at $1.25 (Canadian) per share within two years.

3. Unpaid Accruals

Unpaid discount and other accruals aggregating approximately $109,000 to be paid as and when funds are available following repayment of bank loan and CCS mortgage. CCS to have option to convert accruals into free shares of Halliwell at $1.25 (Canadian) per share within two years.

4. Liquidated Damages

Liquidated damages owing to CCS of approximately $350,000 (subject to final adjustment) and to be converted upon the issue of supplementary letters patent into free shares of Halliwell at $1.25 (Canadian) per share.

5. Debentures

45% of $2,907,000 of Halliwell debentures and accrued interest approximately $600,000 (subject to final adjustment) to be cancelled and remaining debentures and accrued interest to be converted upon issue of supplementary letters patent into free shares of Halliwell at $1.25 (Canadian) per share.

6. Authorized Capital

Authorized capital to be increased from 12,000,000 to 17,000,000 shares which will require shareholder approval and supplementary letters patent. Capital to be consolidated if required by Toronto Stock Exchange.

7. Contracts

Existing concentrate sales and other agreements to be terminated after next shipment, expected March 25, 1968.

8. Approvals

Shareholders for issue of supplementary letters patent and Toronto Stock Exchange filing statement.

"DEFENDANTS' EXHIBIT AO IN EVIDENCE"

MINUTES of a meeting of the board of directors of CONSOLIDATED HALLIWELL LIMITED held at Chateau Frontenac Hotel, Place d'Arme, Quebec City, Quebec on Monday, the 13th day of May, 1968 at 2:00 o'clock in the afternoon (Quebec time.)

PRESENT:

Murray Cooper
Adolph H. Graetz
J.M. Wainberg, Q.C.
M.S. Rukeyser
Georges Baussan, Fils
F.B. Grosselfinger

being a quorum of the directors of the Company.

FORMALITIES:

Mr. Cooper acted as chairman of the meeting and Mr. Wainberg acted as secretary of the meeting.

Notice of this meeting (Schedule "A" to these minutes) having been sent to all directors of the Company and directors to be elected at the annual meeting, and a quorum being present in person, the chairman declared the meeting duly constituted for the transaction of business.

OFFICERS:

UPON MOTION duly made, seconded and unanimously carried,

IT WAS RESOLVED that the following be and they are hereby elected/appointed officers of the Company:

President	-	Murray Cooper
First Vice-President	-	Adolph H. Graetz
Vice-President	-	Georges Baussan, Fils
Secretary-Treasurer	-	J.M. Wainberg, Q.C.
Assistant Secretary	-	Stanley L. Jacobson

MINUTES OF PREVIOUS MEETING:

UPON MOTION duly made, seconded and unanimously carried,

IT WAS RESOLVED that the minutes of a meeting of the board held April 8, 1968 be and the same are hereby ratified.

BY-LAW F:

UPON MOTION duly made, seconded and unanimously carried,

IT WAS RESOLVED that the draft by-law authorizing the board of directors to issue by resolution upon such terms as it deems advantageous any of the shares of the Company at a premium above their par value or at a discount not exceeding 60 per cent of their par value, be enacted as By-law F of the Company.

ADJOURNMENT:

UPON MOTION duly made, seconded and unanimously carried,

IT WAS RESOLVED that the meeting adjourn to be reconvened at 3:00 p.m., same place and day.

MINUTES OF THE RECONVENED MEETING OF THE BOARD held May 13, 1968 at the hour of 3:00 p.m.

FORMALITIES:

A quorum of the directors being present at this adjourned meeting of the board, the chairman declared the meeting duly constituted for the transaction of business.

SUPPLEMENTARY LETTERS PATENT:

The chairman advised the meeting that at a meeting held this morning, the shareholders had confirmed By-law E increasing the authorized capital from $12,000,000 to $17,000,000 and that application had been filed with the Provincial Secretary and that Supplementary Letters Patent were to be issued as of this date. The chairman also advised the meeting that the shareholders had also approved of the agreements referred to in the notice of meeting held earlier this day.

ALLOTMENT OF SHARES - re Debentures:

UPON MOTION duly made, seconded and unanimously carried, the following was resolved:

WHEREAS by agreement dated the 15th day of March, 1968 as amended by amending agreement dated the 8th day of May, 1968, the debentureholders agreed to exchange the outstanding debentures owned by them (aggregating $2,907,000 principal amount) and accrued interest thereon to March 31, 1968 (aggregating $670,920.43) for an aggregate of 1,574,285 shares of Halliwell of the par value of $1 each, as fully paid and non-assessable, to be issued to the debentureholders pro rata upon the fulfilment of certain conditions including the approval of the shareholders and the increase of the authorized capital of the Company:

AND WHEREAS all such conditions have been fulfilled:

THEREFORE BE IT RESOLVED:

1. that 1,574,285 shares of the Company be and the same are hereby allotted and directed to be issued to Guaranty Trust Company of Canada, in trust, or as it may in writing otherwise direct;

2. that the said Guaranty Trust Company of Canada be instructed to deliver certificates for the said shares to the debentureholders pro rata, or as they may otherwise agree among themselves, against delivery and cancellation of all outstanding debentures;

3. that upon such allotment, issue and delivery, the debentures and the Trust Indenture between the Company and Guaranty Trust Company of Canada be and same are hereby cancelled;

4. that the president and the secretary be and they are hereby authorized and directed to do all things and execute and deliver all documents necessary or desirable in order to effectuate this resolution.

ALLOTMENT OF SHARES - re Guarantee:

UPON MOTION duly made, seconded and unanimously carried,

IT WAS RESOLVED that 150,000 shares of the Company be and the same are hereby allotted and directed to be issued as follows:

Continental Copper & Steel Industries, Inc.	-	66,665
Maurice Goodman	-	16,667
Lester Osterman	-	16,667
J.K. Ohrbach	-	16,667
L. Danenberg	-	16,667
David Berdon	-	16,667

572A

The chairman was authorized and directed to deliver the above certificates upon the fulfilment of the undertaking of the allottees to guarantee a $300,000 loan to the Company in accordance with the agreement to that effect.

ALLOTMENT OF SHARES - re Cancellation of Agreements:

UPON MOTION duly made, seconded and unanimously carried,

IT WAS RESOLVED that 359,100 shares be and the same are hereby allotted and directed to be issued to Continental Copper & Steel Industries, Inc. in full settlement of the cancellation of the copper purchase agreement and the concentrates agreement in accordance with the agreements of March 15, 1968 and May 8, 1968.

EXECUTIVE OFFICE:

The chairman advised the meeting that he had moved the executive office of the Company to Suite 1300, 121 Richmond Street West, Toronto.

UPON MOTION duly made, seconded and unanimously carried,

IT WAS RESOLVED that the executive office of the Company be and the same is changed to Suite 1300, 121 Richmond Street West, Toronto.

CONCLUSION:

There being no further business, the meeting

then concluded.

Chairman

Secretary

VERIFIED at a meeting of the board held on July 2 1918

Chairman

BEST COPY AVAILABLE

Service of (7) copy of the within Brief is hereby admitted this 3rd day of May, 1976

SM C

Sullivan & Cromwell

Attorneys for Defendants-Appellees
Standard Oil Co. (Ind.) and Amoco Production Co.
et al

Shea Gould Climenko Kramer & Cowan

Attorneys for Defendants-Appellees
Elenaire Nama, Peter Nama and
Joseph Steinhart